

June 25, 1973

AUTHORIZING MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

SEC. 2502. On and after July 1, 1977, no military assistance advisory group, military mission, or other such organization of the United States Government in a foreign country shall be established or continued unless such group, mission, or organization is authorized by law specifically for that country and the foreign country agrees to reimburse the United States Government for the entire cost of such group, mission, or similar organization.

**Chapter 27.—Supporting Assistance
GENERAL AUTHORITY**

SEC. 2701. The President is authorized to furnish supporting assistance to foreign countries, eligible to receive assistance under this Act on such terms and conditions as he may determine, in cases in which important security interests of the United States are involved.

AUTHORIZATION OF APPROPRIATIONS

SEC. 2702. (a) There are authorized to be appropriated to the Secretary of State to carry out this chapter, not to exceed \$95,000,000 for the fiscal year 1974, which sum shall be allocated and made available to or for each of the following foreign countries and not in excess of the amount specified for that country:

Country:	Amount
(1) Israel.....	\$50,000,000
(2) Jordan.....	35,000,000
(3) Thailand.....	7,000,000
(4) Spain.....	2,000,000

(b) No part of any appropriation made available to carry out this or any other law shall be used to conduct any police training or related program for a foreign country.

**PART IV.—MISCELLANEOUS PROVISIONS
Chapter 31.—General Limitations**

TRANSFERS OF MILITARY VESSELS AND BOATS

SEC. 3102. Notwithstanding any other provision of law, no vessel or boat of the United States Government (including, but not limited to, any battleship, aircraft carrier, cruiser, destroyer, or submarine) may be sold, loaned, leased, given, or transferred by any other means to a foreign country or international organization only in accordance with the provisions of this Act and, in the case of any battleship, aircraft carrier, cruiser, destroyer, or submarine, only if such transfer is specifically authorized by law.

USE OF UNITED STATES ARMED FORCES

SEC. 3102. The making of any sale, credit sale, or guaranty, or the furnishing of any assistance, under this Act shall not be construed as creating a new commitment or as affecting any existing commitment to use Armed Forces of the United States for the defense of any foreign country.

FAILURE TO PROVIDE REQUESTED INFORMATION

SEC. 3103. (a) None of the funds made available pursuant to the provisions of this Act shall be used to carry out any provision of this Act in any country or with respect to any project or activity after the expiration of the 35-day period which begins on the date the General Accounting Office or any committee of the Congress charged with considering legislation, appropriations, or expenditures under this Act has delivered to the office of the head of any agency of the United States Government carrying out such provision a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or

control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee, as the case may be, the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested.

(b) The provisions of subsection (a) of this section shall not apply to any communication that is directed by the President to a particular officer or employee of any such agency or to any communication that is directed by any such officer or employee to the President.

PROCUREMENT

SEC. 3104. (a) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world, which outweigh the economic or other advantages to the United States of less costly procurement outside the United States, and only if the price of any commodity procured in bulk is lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(c) In providing for the procurement of any agricultural commodity or product thereof available for disposition under the Agricultural Trade Development and Assistance Act of 1954, as amended, for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

(d) In providing assistance in the procurement of commodities in the United States, the United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II, except that in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

(e) No funds made available under this Act shall be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity.

(f) The President shall take all appropriate

steps to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars. Dollar funds made available under this Act shall not be expended for goods and services when United States-owned foreign currencies are available for such purposes unless the administrative official approving the voucher certifies as to the reason for the use of dollars in each case. The President shall also take all appropriate steps to assure that, to the maximum extent possible, countries receiving assistance under this Act contribute local currencies to meet the cost of contractual and other services rendered in conjunction with such assistance.

SMALL BUSINESS

SEC. 3105. Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds.

SHIPPING ON UNITED STATES VESSELS

SEC. 3106. The ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954, as amended, shall not be governed by the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended, or any other law relating to the ocean transportation of commodities on United States flag vessels.

TERMINATION OF ASSISTANCE

SEC. 3107. Assistance (including sales) provided under any section of part II or part III of this Act, may, unless sooner terminated by the President, be terminated by concurrent resolution of Congress.

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SEC. 3108. Section 104(c) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out the semicolon at the end of such section and inserting in lieu thereof a comma and the following: "except that no agreement may be entered into under this subsection (c) unless such agreement has been specifically authorized by legislation enacted after the date of enactment of the Foreign Military Sales and Assistance Act";

SOUTH VIETNAM, LAOS, AND CAMBODIA

SEC. 3109. (a) After June 30, 1973, no sale, credit sale, or guaranty of any defense article or defense service shall be made, or any military assistance (including supporting assistance) furnished to South Vietnam or Laos directly or through any other foreign country unless that sale, credit sale, or guaranty is made, or such assistance is furnished, under this Act. The provisions of this subsection shall not apply to funds obligated prior to July 1, 1973.

(b) Any sale, credit sale, or guaranty made, or assistance provided under this Act to South Vietnam, Laos, or Cambodia shall be made or furnished with the objective of bringing about peace in Indochina and strict implementation of the cease-fire agreements in Vietnam and Laos and any cease-fire agree-

ment that may be reached in the future with respect to Cambodia.

(c) Armaments, munitions, and war materials may be provided to South Vietnam and Laos under any provision of this Act only for the purpose of replacing, on the basis of piece for piece and with armaments, munitions, and war materials of the same characteristics and properties, those armaments, munitions, and war materials destroyed, damages, worn out, or used up (1) in the case of South Vietnam, after January 27, 1973, and which are included on lists previously furnished by the Government of South Vietnam to the International Commission of Control and Supervision for Vietnam, and (2) in the case of Laos, after February 21, 1973, and which are included on lists previously furnished by the Government of Laos to the International Commission of Control and Supervision for Laos.

(d) If a cease-fire agreement is entered into with respect to Cambodia, then, commencing with the date such agreement becomes effective, armaments, munitions, and war materials shall be provided Cambodia under this Act only and strictly in accordance with the provisions of such agreement.

(e) Armaments, munitions, and war materials may be provided to South Vietnam without regard to the provisions of subsection (c) of this section if the President finds and reports to Congress that the Agreement on Ending the War and Restoring Peace in Vietnam, signed in Paris on January 27, 1973, is no longer in effect. No armaments, munitions, or war materials may be provided in accordance with this subsection, however, until the President has reported such finding to Congress.

(f) The President shall submit to Congress within 30 days after the end of each quarter of each fiscal year, a report on (1) the nature and quantity of all types of foreign assistance provided by the United States Government to South Vietnam, Laos, and Cambodia under this or any other law, (2) the number in, or who are involved in providing such assistance to, such countries and who are paid directly or indirectly with funds of the United States Government, and (3) the general status of the implementation of all cease-fire agreements with respect to Indochina. For purposes of this subsection, "foreign assistance" and "provided by the United States of Government" have the same meanings given those terms under section 3301 (d) of this Act.

ACCESS TO CERTAIN MILITARY BASES ABROAD

Sec. 3110. None of the funds authorized to be appropriated by this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

(2) personnel of the United States carry out military operations from such base; unless and until the President has determined, and informed in Congress in writing, that the government of such country has, consistent with security, authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base.

Chapter 33.—Reports and Information

ANNUAL FOREIGN ASSISTANCE REPORT

Sec. 3301. (a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign coun-

tries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

(3) the aggregate dollar value of all weapons, weapons systems, munitions, aircraft, military boats, military vessels, and other implements of war and the aggregate dollar value of each category of such implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year;

(4) all exports of significant defense articles on the United States munitions list to any foreign government, international organization, or other foreign recipient or purchaser, by the United States under this Act or any other authority, or by an individual, corporation, partnership, or other association doing business in the United States, including but not limited to, full information as to the particular defense articles so exported, the particular recipient or purchaser, the terms of the export, including its selling price, if any, and such other information as may be appropriate to enable the Congress to evaluate the distribution of United States defense articles abroad; and

(5) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1) through (3) of this subsection.

(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplement to any report shall be transmitted to the Congress at the same time that the report is transmitted.

(c) If the Congress is not in session at the time a report or supplement is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplement on behalf of their respective Houses of Con-

gress and present the report or supplement to the two Houses immediately upon their convening.

(d) For purposes of this section—

(1) "foreign assistance" means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country; and

(2) "provided by the United States Government" includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.

QUARTERLY REPORTS

Sec. 3302. Commencing with the fiscal year which begins July 1, 1973, the Secretary of State shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, within 30 days after the end of each quarter of each fiscal year, a written report with respect to such quarter on—

(1) (A) sales, credit sales, and guaranties made to or on behalf of each foreign country under chapter 11 of this Act, giving in detail each country to or on whose behalf such sales, credit sales, and guaranties were extended, and the terms and conditions of such sales, credit sales, and guaranties (including the guaranty fee and the person extending the credit so guaranteed), (B) forecasts of sales, credit sales, and guaranties to that foreign country for the remainder of the fiscal year in which the report is transmitted and the next succeeding fiscal year, and (C) the balance remaining to be paid by that country on each loan made or guaranteed under such chapter;

(2) the total value for each foreign country of all deliveries of excess defense articles, including a specification for each country of the aggregate original acquisition costs and the aggregate value at time of delivery of such articles;

(3) the total value of all defense articles and defense services provided each foreign country under this Act or any other provision of law, specifying separately for each such country (A) the total value of defense articles and the total value of defense services provided that country, and (B) each provision of law under which such articles and services are provided and the total value furnished under each such provision; and

(4) (A) the number of United States Government personnel detailed or assigned to each military assistance advisory group, military mission, or other organization of the United States Government in each foreign country performing activities similar to any such group or mission, (B) the number of such personnel detailed or assigned to the Chief of the United States Diplomatic Mission to that country performing primarily military advisory duties, (C) the number of such personnel so detailed or assigned to each such group, mission, organization, and diplomatic mission on the first day of the fiscal year with respect to which such report pertains, and (D) the number of such personnel so detailed or assigned to each such group, mission, organization, or diplomatic mission on the last of the quarter of the fiscal year with respect to which that report pertains.

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move from a nonmilitary phase in Southeast Asia, it is quite obvious that a reasonable degree of stability is needed in South Vietnam. The commodity import program is a major way to provide that stability, and a drastic cut at the level proposed would wreak havoc in an area where we do have continuing obligations.

Mr. Chairman, I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The question was taken; and on a division (demanded by Mr. BINGHAM) there were—ayes 10, noes 79.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HARRINGTON

Mr. HARRINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRINGTON: Page 39, line 10, after the period, strike out "No assistance shall be furnished under this section unless the President receives assurances satisfactory to him that no assistance furnished under this part, and no local currencies generated as a result of assistance furnished under this part, will be used for support of police, or prison construction and administration, within South Vietnam."

And insert: "No part of any appropriation made available to carry out this or any other act or local currency generated through commodity sales programs shall be used for public safety programs, police training, support, or advisory programs, prison construction, or prison administration within South Vietnam."

(Mr. HARRINGTON asked and was given permission to revise and extend his remarks.)

Mr. HARRINGTON. Mr. Chairman, I think it might be appropriate to briefly describe the difference in the language once again in somewhat less formalistic terms. We adopted in committee the language which was first read, which was largely discretionary on the part of the President and deals only with the substance of this legislation before us as far as the ability to withhold from South Vietnam any of those moneys in this bill for the purpose of using them for public safety programs.

My amendment needs no presidential discretion. It involves any piece of legislation in which any sums of money may be found for the purpose of carrying out public safety programs and, in general, is aimed only at attempting to deal with the problem of our allies in the use of American funds for the suppression of political activities in South Vietnam. The amendment in the committee was decisively defeated. I am not under any particular illusion that that is going to be any different in debate this afternoon.

I do feel, though, that if we look at the figures and attempt at least to see again the problem presented, those who are even remotely concerned about the problem might think it makes good sense.

The total amount for public safety that is in our own legislation is about \$1.3 million. The Department of Defense, however, in legislation which will be forthcoming later this year, has requested a total of \$10.6 million for the purpose of carrying out public safety ac-

tivities on the part of the South Vietnamese. I suspect that if the events of the last few days are any indication of our awareness in general of other programs, there are other sums of money which we in general are not aware of and other pieces of legislation which are being used for analogous or similar purposes.

I do not know that we can establish for the benefit of those who want it to say that we, in general, would not support someone who is more responsible to civil liberties, but I think there has been enough documentation; documentation in such variety so that there should be some appropriate concern that we not use the funds from any source to provide ability on the part of the Thieu government to maintain any kind of public safety apparatus which is directed to political pressure.

I do not think there is any particular reason to try to embellish on this fund. There are a variety of ways of dealing with the situation in which we find ourselves, historically and somewhat strangely applied. I think it is useful in some stage, that we are attempting to give some help to broaden the restrictions already in the bill.

It is for that reason that I offer the amendment, and I hope it might be favorably considered.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of the amendment.

(Mr. MITCHELL of Maryland asked and was given permission to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Chairman and colleagues, there is something very abhorrent to me about the idea of this Nation supporting and undergirding a government which has suppressed all forms of democracy under the guise of providing police assistance.

My colleague from Indiana (Mr. DENNIS) earlier stated his concern about our meddling into the internal affairs of countries, apropos of the amendment offered earlier by my colleague from Georgia.

My feeling is that the more we involve ourselves in trying to shore up unpopular governments through the means of supporting and sustaining police operations, the more we run into danger of once again being sucked into a kind of terrible situation. The facts are very, very clear.

Under the public safety program of the U.S. Agency for International Development, the Vietnamese police force was converted from a modest civil agency of 19,000 men—Mr. ABOUREZK uses 10,000—in 1963 to a huge paramilitary organization of 120,000 men in 1973. U.S. spending on this effort amounted to \$155 million between 1967 and 1972—\$85.7 million in U.S. Agency for International Development funds and \$69.6 million in defense funds.

Under Central Intelligence Agency organized, and U.S.-financed, Operation Phoenix—purportedly designed to eliminate the Vietcong infrastructure—20,587 Vietnamese civilians were assassinated between January 1968 and May 1971. Another 28,978—other sources say 46,695—were imprisoned without trial. Source of figures is William E. Colby,

former head of Civil Operations and Revolutionary Development Support—the U.S. pacification program—and Director-designate of the Central Intelligence Agency.

Let me cite one other thing here. The first vice speaker of the House of Representatives recently contacted one of our colleagues, Congressman STARK, asking him for support for the Government of South Vietnam. I think Congressman STARK's reply was very meaningful, and I would like to read it:

The HONORABLE D. B. XUAN MINH: I regret that I cannot accept the spirit or substance of your recent letter. You speak of "freedom" when your country has been a stage for the world showing kidnapping, imprisonment, and torture. The leaders of the opposition parties are nowhere visible. Your "democracy" seems to have no more credibility than its paper claims of civil rights and liberties for all.

Can you dispute that in January, 1973, deputy Ho Ngoc Nhuan of your national assembly disclosed a new version of what we knew previously as "Operation Phoenix"? Is it not true that under this plan anyone with allegiances to the opposition is subject to arrest and indefinite imprisonment?

There is widespread belief in this country that our own civilian advisors are now serving as counsel to the national police special branch in Saigon and the provincial interrogation centers. Can you deny the truth of this rumor?

This prevailing philosophy that denies all civil liberties is only one aspect of your government that I distrust. Far more serious, I believe, is your utter disregard for the humane priorities of all other "free societies." War orphans in South Vietnam number in the hundreds of thousands and adequate care is visibly lacking. Your population is now one of refugees and yet little viable planning has been developed for their support.

The vast amount of American foreign aid you receive does not go to the support of these people so critically in need of assistance. We subsidize, instead, your military needs and the social habits of government officials. Such a blatant disregard for basic humanitarianism is totally unacceptable to me.

You may be certain that I will do all within my power to see that all future American aid to your country is suspended. I cannot, under any circumstances, see the justification for such misuse of desperately needed dollars. This money must be used for the support of oppressed people in our own country and Vietnam who must depend on their fellowman for assistance. You do not provide this assistance.

American dollars should be spent abroad for the good of people most sorely in need. I believe that many thousands of the people of your country fit this category. Until all the world can witness that they are truly being rehabilitated, you should not be permitted the luxury of misappropriating and abusing our aid.

FORTNEY H. STARK, Jr.,
Member of Congress.

JUNE 28, 1973.

Under the terms of the January 1973 agreement on the ending of the war and restoring peace in Vietnam, we pledged:

Not to "impose any political tendency or personality on the South Vietnamese people" (article 9).

To remove "personnel associated with the pacification program" (article 5).

To prohibit "all acts of reprisal and discrimination against individuals or

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organizations that have collaborated with one side or the other" (article 11).

While the Agency for International Development claims that they have discontinued aid to South Vietnamese prisons and police, we find the following items in the Agency for International Development fiscal year 1974 budget:

A. INDOCHINA POSTWAR RECONSTRUCTION ASSISTANCE PROGRAM

One, \$869,000—for computer training of 200 national police command personnel.

Two, \$1,505,000—for police telecommunications system—U.S. Agency for International Development project 730-11-995-380. Of this, \$985,000 will be for 24 U.S. civilian advisors.

Three, \$256,000—for training of 64 police commanders—U.S. Agency for International Development project 730-11-799-372.

B. UNLIQUIDATED OBLIGATIONS ACCOUNT

One, \$1,285,000—for public safety communications—project 730-11-710-299

Two, \$2,472,000—for National police support—project 730-11-710-352.

Three, \$30,000 for corrections centers—project 730-11-710-353.

Other—no Agency for International Development Fund.

C. MILITARY ASSISTANCE SERVICE FUNDED PROGRAM

Expenditure of \$3.8 million by Department of Defense to replenish police ammunition and supplies—permissible under peace agreement as "piece-by-piece" supply transactions.

D. PLASTER BUDGET SUPPORT PROGRAM

United States will transfer \$50 million from U.S. accounts to the GVN budget. Senator KENNEDY testified on June 4, 1973, that on February 21, 1973, the United States obligated \$100,000 in plasters for support of the prison system. Many of the plasters in this account came from sale of agricultural products under the Public Law 480 food for peace program.

Total: Except D, \$15.2 million designated for fiscal year 1974 support of Vietnamese police and prisons. From press conference, January 2, 1973:

Chi Hoa (Prison) is like South Vietnamese society in miniature. There is everything from former presidential candidates, Buddhist monks, women and children who have never committed any offense, to the most hardened criminals and drug addicts. There are countless children in South Vietnamese prisons. Often a mother is arrested too quickly to find anyone to care for her children, so the children are arrested and imprisoned too.

On November 11, 1973, Thieu's nephew, Hoang Duc Nha, claimed that the Saigon government arrested 50,000 political opponents and killed 5,000. Source: CBS Evening News.

The Saigon ministry of information reported that the police made 7,200 raids against political critics between November 8 and 15, 1972.

On June 11, 1973, Dr. John Champlin, a former U.S. Air Force medical officer with several years experience in Vietnam told the House Foreign Affairs Commit-

tee that a group of 124 Vietnamese citizens suffering from permanent physical injuries sustained as a result of their confinement in gun prisons reported that they "had all been examined more than once by American military physicians while in prison but they denied having received so much as an aspirin during their confinement." None had seen evidence of U.S. efforts to "develop better health facilities" in GVN prisons.

A fact sheet on the prisons in South Vietnam follows:

A FACT SHEET ON THE PRISONS OF SOUTH VIETNAM

MAIN NATIONAL PRISONS

- (1) Chi Hoa—10,000 prisoners.
- (2) Phu Quoc—40,000 prisoners.
- (3) Thu Duc—8,000 prisoners.
- (4) Tan Hiep—10,000 prisoners.
- (5) Con Son—15,000 prisoners.

OTHER NATIONAL PRISONS

- (1) 10 Police prisons—3,000 prisoners.
- (2) Central Intelligence Office prisons—300 prisoners.
- (3) Cho Quan—500 prisoners.
- (4) American Prison.
- (5) Da Lat—for youth under 20—2,000 (strictly political prisoners).

Military Prisons—opponents may claim these have been shut down.

- (1) Go Vap—15,000 prisoners.
- (2) Military Secret Service Prison—1,000 prisoners.
- (3) Army Intelligence Officer—500 prisoners.

PROVINCIAL PRISONS

- (1) 11 Saigon District Prisons—5,000 prisoners.
- (2) 50 Provincial Prisons—60,000 prisoners.
- (3) 48 Provincial Police Prisons.
- (4) 48 Office of Military Security Prisons.
- (5) 48 Regional Headquarters Prisons.
- (6) 48 American Intelligence Centers.
- (7) 260 District Prisons.

Source: Vietnam News and Reports (April-May 1973).

By: Mr. Ngo Cong Duc, former Deputy of the Saigon Assembly and former President of a Saigon Newspaper Association.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the language the gentleman would strike out is:

No assistance shall be furnished under this section unless the President receives assurances satisfactory to him that no assistance furnished under this part, and no local currencies generated as a result of assistance furnished under this part, will be used for support of police, or prison construction and administration, within South Vietnam.

The committee put that in. Of course, the gentleman now comes along to strike that out, and he would insert:

No part of any appropriation made available to carry out this or any other act or local currency generated through commodity sales programs shall be used for public safety programs, police training, support, or advisory programs, prison construction, or prison administration within South Vietnam.

This makes it pretty plain. Let us look at what happened in South Vietnam. AID has withdrawn its public safety advisors in South Vietnam, in accordance with the cease-fire agreement of January 22, 1973, and has terminated its program of assistance to South Vietnam prisons. Therefore, I see no reason for the amendment.

I understand that DOD has some plans from its appropriations to supply some

replacement equipment and commodities to the National Police Force. These are supplies that are vitally needed.

I believe the language of the present bill will give flexibility to the President to make the determination about what is needed to be supported and I ask that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. HARRINGTON).

The question was taken; and on a division (demanded by Mr. HARRINGTON) there were—ayes 23, noes 57.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

U.S. EXPORT DEVELOPMENT CREDIT FUND

SEC. 25. (a) The Foreign Assistance Act of 191, as amended by section 24 of this Act, is amended by adding at the end thereof the following new part:

"PART VI

"SEC. 901. GENERAL AUTHORITY.—(a) In the interest of increasing United States exports to the lowest income countries, thereby contributing to high levels of employment and income in the United States and to the establishment and maintenance of long-range, growing export markets, while promoting development of such countries, the President shall establish a fund, to be known as the 'United States Export Development Credit Fund', to be used by the President to carry out the authority contained in this part.

"(b) The President is authorized to provide extensions of credit, upon reasonable assurances of repayment, for the purpose of facilitating the sale to the lowest income countries of United States goods and services which advance mutual development. The provisions of section 201(d) of this Act shall apply to extensions of credit under this part. The authority contained in this part shall be used to extend credit in connection with the sale of goods and services which are of developmental character, with due regard for the objectives stated in section 102(b) of this Act.

"(c) The receipts and disbursements of the Fund in the discharge of its functions shall be treated for purposes of the budget of the United States Government in the same fashion as the receipts and disbursements of the Export-Import Bank of the United States under section 2(a)(2) of the Export-Import Bank Act of 1945.

"SEC. 902. FINANCING.—(a) As may hereafter be provided in annual appropriation Acts, the President is authorized to borrow from whatever source he deems appropriate, during the period beginning on the date of enactment of this part and ending on December 31, 1977, and to issue and sell such obligations as he determines necessary to carry out the purposes of this part. The aggregate amount of such obligations outstanding at any one time shall not exceed one-fourth of the amount specified in section 7 of the Export-Import Bank Act of 1945 on July 1, 1973. The dates of issuance, the maximum rates of interest, and other terms and conditions of the obligations issued under this subsection will be determined by the Secretary of the Treasury with the approval of the President. Obligations issued under the authority of this section shall be obligations of the Government of the United States of America, and the full faith and credit of the United States of America is hereby pledged to the full payment of principal and interest thereon. For the purpose of any purchase of the obligations issued under this part, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from

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"PART V

"CHAPTER 1. POLICY

"SEC. 801. STATEMENT OF POLICY.—It is the purpose of this part to (1) authorize immediate high-priority humanitarian relief assistance to the people of South Vietnam, Cambodia, and Laos, particularly to refugees, orphans, widows, disabled persons, and other war victims, and (2) to assist the people of those countries to return to a normal peacetime existence in conformity with the Agreement on Ending the War and Restoring the Peace in Vietnam, the cease-fire agreement for Laos, and any cease-fire agreement that may be reached in Cambodia. In this effort United States bilateral assistance should focus on critical problems in those sectors which affect the lives of the majority of the people in Indochina: food, nutrition, health, population planning, education, and human resource development. United States assistance should be carried out to the maximum extent possible through the private sector, particularly those voluntary organizations which already have ties in that region.

"CHAPTER 2.—GENERAL AUTHORITY AND AUTHORIZATION

"SEC. 821. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions as he may determine, assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos, including especially humanitarian assistance to refugees, civilian war casualties, and other persons disadvantaged by hostilities or conditions related to those hostilities in South Vietnam, Cambodia, and Laos. No assistance shall be furnished under this section to South Vietnam unless the President receives assurances satisfactory to him that no assistance furnished under this part, and no local currencies generated as a result of assistance furnished under this part, will be used for support of police, or prison construction and administration, within South Vietnam.

"SEC. 822. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed \$832,000,000, which amount is authorized to remain available until expended.

"SEC. 823. CENTER FOR PLASTIC AND RECONSTRUCTIVE SURGERY IN SAIGON.—Of the funds appropriated pursuant to section 822 for the fiscal year 1974, not less than \$712,000 shall be available solely for furnishing assistance to the Center for Plastic and Reconstructive Surgery in Saigon.

"SEC. 824. ASSISTANCE TO SOUTH VIETNAMESE CHILDREN.—(a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion, and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

"(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 822 for fiscal year 1974, \$5,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 percent of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance pro-

vided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

"CHAPTER 3.—CONSTRUCTION WITH OTHER LAWS

"SEC. 831. AUTHORITY.—All references to part I, whether heretofore or hereafter enacted, shall be deemed to be references also to this part unless otherwise specifically provided. The authorities available to administer part I of this Act shall be available to administer programs authorized in this part."

MEANING OF REFERENCES

SEC. 25. All references to the Foreign Assistance Act of 1961 and to the Agency for International Development shall be deemed to be references also to the Mutual Development and Cooperation Act and to the Mutual Development and Cooperation Agency, respectively. All references in the Mutual Development and Cooperation Act to "the agency primarily responsible for administering part I" shall be deemed references also to the Agency for International Development. All references to the Mutual Development and Cooperation Act and to the Mutual Development and Cooperation Agency shall, where appropriate, be deemed references also to the Agency for International Development, respectively.

FOREIGN MILITARY SALES

SEC. 26. The Foreign Military Sales Act is amended as follows:

(a) Add the following new subsection at the end of section 3 of chapter 1, relating to eligibility:

"(c) No sophisticated weapons, including sophisticated jet aircraft or spare parts and associated ground equipment for such aircraft, shall be furnished under this or any other Act to any foreign country on or after the date that the President determines that such country has violated any agreement it has made in accordance with paragraph (2) of subsection (a) of this subsection or section 505(a) of the Mutual Development and Cooperation Act or any other provision of law requiring similar agreements. The prohibition contained in the preceding sentence shall not apply on or after the date that the President determines that such violation has been corrected and such agreement complied with. Such country shall remain ineligible in accordance with this subsection until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not reoccur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

(b) In section 23 of chapter 2, relating to credit sales, strike out "ten" and insert in lieu thereof "twenty".

(c) In section 24(a) of chapter 2, relating to guaranties, strike out "doing business in the United States".

(d) In section 24(c) of chapter 2, relating to guaranties:

(1) strike out "pursuant to section 31" and insert in lieu thereof "to carry out this Act"; and

(2) insert "principal amount of" immediately before the words "contractual liability" wherever they appear.

(e) In section 31(a) of chapter 3, relating to authorization, strike out "\$400,000,000 for the fiscal year 1972" and insert in lieu thereof "\$450,000,000 for the fiscal year 1974".

(f) In section 31(b) of chapter 3, relating to authorization, strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)) and of the face amount of guaranties issued pursuant to sections 24 (a) and (b) shall not exceed \$550,000,000 for the fiscal year 1972, of which amount not

less than \$300,000,000 shall be available to Israel only" and insert in lieu thereof "and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed \$760,000,000 for the fiscal year 1974, of which amount not less than \$300,000,000 shall be available to Israel only".

(g) In section 33(a) of chapter 3, relating to aggregate regional ceilings:

(1) strike out "of cash sales pursuant to sections 21 and 22,";

(2) strike out "(excluding credits covered by guaranties issued pursuant to section 24 (b)), of the face amount of contracts of guaranty issued pursuant to sections 24(a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)"; and

(3) strike out "\$100,000,000" and insert in lieu thereof "\$150,000,000".

(h) In section 33(b) of chapter 3, relating to aggregate regional ceilings:

(1) strike out "of cash sales pursuant to sections 21 and 22,";

(2) strike out "(excluding credits covered by guaranties issued pursuant to section 24 (b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)".

(i) In section 33(c) of chapter 3, relating to aggregate regional ceilings:

(1) strike out "expenditures" and insert in lieu thereof "amounts of assistance, credits, guaranties, and ship loans";

(2) strike out "of cash sales pursuant to sections 21 and 22," and

(3) strike out "(excluding credits covered by guaranties issued pursuant to section 24 (b)), of the face amount of contracts of guaranty issued pursuant to sections 24(a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)".

(j) In section 36 of chapter 3, relating to reports on commercial and governmental military exports, strike out subsection (a) and redesignate subsections (b) and (c) as subsections (a) and (b), respectively.

(k) In section 37(b) of chapter 3, relating to fiscal provisions, insert after "indebtedness" the following: "under section 24(b) (excluding such portion of the sales proceeds as may be required at the time of disposition to be obligated as a reserve for payment of claims under guaranties issued pursuant to section 24(b), which sums are hereby made available for such obligations)".

REVISION OF SOCIAL PROGRESS TRUST FUND AGREEMENT

SEC. 27. (a) The President or his delegate shall seek, as soon as possible, a revision of the Social Progress Trust Fund Agreement (dated June 19, 1961) between the United States and the Inter-American Development Bank.

Such provision should provide for the—

(1) periodic transfer of unencumbered capital resources of such trust fund, and of any future repayments or other accruals otherwise payable to such trust fund, to—

(A) the Inter-American Foundation, to be administered by the Foundation for purposes of part IV of the Foreign Assistance Act of 1969 (22 U.S.C. 290f and following);

(B) the United States Department of State to be administered by the Mutual Development and Cooperation Agency for purposes of sections 1 and 2 of the Latin American Development Act; and or

(C) subject to the approval of the Department of State, to the United States Treasury for general uses of the Government; and or

(2) utilization of such unencumbered capital resources, future repayments, and other accruals by the Inter-American Development Bank for purposes of sections 1 and 2 of the Latin American Development Act (22 U.S.C. 1942 and 1943) in such a way that

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the resources received in the currencies of the more developed member countries are utilized to the extent possible for the benefit of the lesser developed member countries.

(b) Any transfer of utilization under this section shall be in such proportions as may be agreed to between the United States and the Inter-American Development Bank.

(c) Any transfer under subparagraph (A) of subsection (a) (1) shall be in the amounts, and in available currencies, determined in consultation with the Inter-American Foundation, to be required for its program purposes.

(d) The revision of the Social Progress Trust Fund Agreement pursuant to this section shall provide that the President or his designee shall specify, from time to time, after consultation with the Inter-American Development Bank, the particular currencies to be used in making the transfer or utilization described in this section.

(e) Not later than January 1, 1974, the President shall report to Congress on his action taken pursuant to this section.

Sec. 28. Notwithstanding any other provision of law, no funds authorized by this Act shall be expended to aid or assist in the reconstruction of the Democratic Republic of Vietnam (North Vietnam), unless by an Act of Congress assistance to North Vietnam is specifically authorized.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Foreign Assistance Act of 1961, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 9360) was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS AND PUNCTUATION IN ENGROSSMENT

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to S. 1443, the Clerk be authorized to correct section numbers, punctuation, and cross-references.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROVIDING FOR THE CONSIDERATION OF S. 1989

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 512, Rept. No. 93-407) which was referred to the House Calendar and ordered to be printed:

H. RES. 512

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee

of the Whole House on the State of the Union for the consideration of the bill (S. 1989) to amend section 225 of the Federal Salary Act of 1957 with respect to certain executive, legislative, and judicial salaries. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROVIDING FOR THE CONSIDERATION OF S. 1697

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 511, Rept. No. 93-406) which was referred to the House Calendar and ordered to be printed:

H. RES. 511

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 27(d) (4), Rule XI to the contrary notwithstanding that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1697) to require the President to furnish predisaster assistance in order to avert or lessen the effects of a major disaster in the counties of Alameda and Contra Costa in California. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8825, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1974, UNTIL MIDNIGHT FRIDAY

Mr. BOLLAND. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Friday to file a conference report on the bill (H.R. 8825) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8947, PUBLIC WORKS AND ATOMIC ENERGY COMMISSION APPROPRIATIONS, 1974

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 8947) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1974, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93-409)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8947) "making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1974, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 7, 9, and 14; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,714,263,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$622,275,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$56,142,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$873,589,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$409,125,000"; and the Senate agree to the same.

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210,361; Utah, \$1,001,394; and Washington, \$3,631,496.

Do I here argue against inclusion of the hold-harmless provision in the fiscal year 1974 Labor-HEW Appropriation bill and in the continuing resolution now before us? No, I do not. I am sympathetic to the situation faced by some States confronted with a drastic reduction in title I funds because of population changes revealed by the 1970 census. They require some cushion. What I argue here is that some modification must be made in the hold-harmless provision so that States are cushioned against precipitous reductions in title I funds but also, so that States with increased numbers of disadvantaged children might

receive additional title I funds reflecting to some degree that increase. This could be done by a phasing mechanism of 80 percent hold harmless, for example.

It is my intention to seek just such a change in the fiscal year 1974 Labor-HEW appropriation bill, a measure which provides \$1.81 billion for title I, ESEA, and to which the figures to which I have alluded apply. I do not believe it appropriate to seek to amend the bill now before us, as the continuing resolution holds title I-A funding at a level of some \$1.5 billion, the fiscal year 1973 level, and, hopefully, the continuing resolution will be applicable for only a brief interim before enactment of the fiscal year 1974 Labor-HEW appropriation bill.

This, it seems to me is a most reasonable approach. It is fair. The provision for hold harmless contained in the appropriation bill is neither reasonable nor fair.

Mr. President, I ask unanimous consent that there be included at this point in my remarks a chart utilizing data provided by the U.S. Office of Education indicating how the States are affected by the hold-harmless provision in the fiscal year 1974 Labor-HEW appropriations bill approved by the House and now pending before the Senate Committee on Appropriations.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

State	Fiscal year 1974 ESEA I, estimated allotments with 1972 floor	Fiscal year 1974 ESEA I, part A estimated allotments without 1972 floor	Loss or gain under hold harmless	Percent of formula allotment with fiscal year 1972 floor	State	Fiscal year 1974 ESEA I, estimated allotments with 1972 floor	Fiscal year 1974 ESEA I, part A estimated allotments without 1972 floor	Loss or gain under hold harmless	Percent of formula allotment with fiscal year 1972 floor
Alabama	\$42,202,992	\$22,685,091	+19,517,901	186.04	Nebraska	\$8,461,135	\$7,789,028	+672,107	108.63
Alaska	4,108,676	4,745,528	-636,852	86.58	Nevada	1,666,084	1,950,597	-284,513	85.41
Arizona	11,523,805	13,047,637	-1,523,832	88.32	New Hampshire	2,801,095	3,304,210	-503,115	84.77
Arkansas	26,470,169	13,383,963	+13,086,200	197.78	New Jersey	60,773,155	73,044,917	-12,271,762	83.20
California	151,796,957	183,335,748	-31,538,791	88.80	New Mexico	11,203,896	10,614,276	+589,620	105.56
Colorado	14,061,868	16,598,162	-2,536,294	84.72	New York	255,282,719	309,962,830	-54,680,111	82.36
Connecticut	17,099,599	20,457,938	-3,358,339	83.58	North Carolina	61,621,074	35,255,652	+26,365,422	174.78
Delaware	3,649,464	4,212,224	-562,760	86.64	North Dakota	5,447,877	4,140,123	+1,307,754	131.59
Florida	39,837,839	40,721,904	-884,065	97.83	Ohio	51,107,359	61,063,079	-9,955,720	83.70
Georgia	42,188,006	32,050,692	+10,137,314	139.63	Oklahoma	20,300,817	17,010,041	+3,290,776	119.35
Hawaii	4,636,313	5,594,705	-958,392	82.87	Oregon	12,858,310	15,009,650	-2,151,340	85.67
Idaho	3,977,755	4,307,637	-329,882	92.34	Pennsylvania	74,563,599	88,482,429	-13,918,830	84.27
Illinois	82,549,907	100,027,048	-17,477,141	82.53	Rhode Island	6,041,948	7,252,309	-1,210,361	83.31
Indiana	20,487,387	24,353,714	-3,866,327	84.12	South Carolina	37,107,533	18,991,562	+18,115,971	195.39
Iowa	16,645,654	12,594,561	+4,051,093	132.17	South Dakota	6,870,494	4,632,141	+2,238,353	148.32
Kansas	12,478,897	11,930,161	+548,736	104.60	Tennessee	38,712,613	20,021,999	+18,690,611	193.35
Kentucky	38,302,224	23,014,304	+15,287,920	166.43	Texas	93,439,492	81,923,055	+11,516,437	114.06
Louisiana	37,989,922	31,943,897	+6,046,025	118.93	Utah	5,302,785	6,304,179	-1,001,374	84.12
Maine	6,549,274	7,617,589	-1,068,315	85.98	Vermont	3,014,806	3,268,002	-253,196	92.25
Maryland	24,621,223	29,564,565	-4,943,342	83.28	Virginia	37,084,416	29,347,081	+7,737,335	126.36
Massachusetts	33,505,700	40,254,091	-6,748,391	83.24	Washington	19,676,262	23,307,758	-3,631,496	84.42
Michigan	65,576,522	78,255,320	-12,678,798	83.80	West Virginia	21,681,593	12,118,337	+9,563,256	178.92
Minnesota	23,183,881	22,160,878	+1,023,003	104.66	Wisconsin	19,931,228	23,752,279	-3,821,051	83.91
Mississippi	44,154,990	22,829,237	+21,325,753	193.41	Wyoming	1,821,060	1,891,064	-7,004	101.59
Missouri	28,547,584	24,025,663	+4,521,921	118.82	District of Columbia	13,478,984	16,197,598	-2,718,614	83.22
Montana	4,379,638	4,425,127	-45,489	98.97					

The PRESIDING OFFICER. What is the will of the Senate?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOMENICI). The clerk will call the roll. The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to file reports until midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES ON COMMERCE AND LABOR AND PUBLIC WELFARE TO FILE REPORTS ON FRIDAY, JULY 6, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committees on Commerce and Labor and

Public Welfare may be authorized to file reports on Friday, July 6, between the hours of 10 a.m. and 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

EXTENSION OF LAWS RELATING TO PAYMENT OF INTEREST

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 128.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 128) to provide for an extension of certain laws relating to the payment of interest on time and savings deposits, which was in lines 5 and 6, strike out

"December 1, 1974" and insert "August 1, 1973".

Mr. ROBERT C. BYRD. Mr. President, I have been asked by the distinguished Senator from Alabama (Mr. SPARKMAN) to move that the amendment of the House be agreed to. I have cleared this also with the Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk proceeded to call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The Sen-

ate will please be in order so the Senator can be heard.

Mr. FULBRIGHT. Mr. President, I offer an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 10, strike Sec. 109 and insert in lieu thereof the following:

"Sec. 109. Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein, heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia."

Mr. FULBRIGHT. Mr. President, I hope we may have order.

The PRESIDING OFFICER. The Senate will be in order, please.

Mr. FULBRIGHT. Mr. President, this is a very important statement dealing with a subject which this body has been concerned with for more than 10 years now. I hope I may have the attention of the Senate.

Mr. President, the Committee on Foreign Relations has today agreed, by a vote of 15 to 2, to a committee amendment to be offered to the pending continuing resolution. This amendment would prohibit the continuation of hostilities by U.S. forces anywhere in Indochina—and I emphasize anywhere in Indochina—after August 15, 1973.

The amendment, which will be offered as a substitute to sections 108 and 109 of the continuing resolution reads as follows:

Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein heretofore, or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

The present amendment is, in essence, the result of an accommodation of the views of the committee and the White House following a meeting this morning. The committee is gratified that this compromise was promptly agreed upon and as a result, it now appears that the executive and legislative branches will, at last, act in a coordinate manner to bring to a close this tragic episode in our Nation's history.

The committee's decision to submit this amendment to the Senate for its consideration followed extensive discussion in the course of which a number of understandings were reached with regard to the interpretation. Among these were the following:

The acceptance of an August 15 cutoff date should in no way be interpreted as recognition by the committee of the President's authority to engage U.S. forces in hostilities until that date. The view of most members of the committee has been and continues to be that the President does not have such authority in the absence of specific congressional approval.

While a majority of the committee strongly preferred an immediate cutoff of bombing in Cambodia it was recognized that an effort to insist upon an im-

mediate cessation of hostilities in the face of strong objection from the President might precipitate a serious confrontation between the two branches of Government which would result in severe hardships for many. The committee felt that it had a solemn responsibility to do all within its power to avoid such a confrontation, provided a compromise could be found which would reaffirm the proper constitutional role of the Congress with regard to the warmaking power and which would specify a date certain for a total end to the involvement of the United States in the war in Indochina.

It was clearly understood by all those supporting the amendment that its effect would be to preclude after August 15 any resumption of hostilities by U.S. forces without the express approval of both Houses of Congress.

The committee offers this amendment assuming that the interval between now and August 15 will not be the occasion for an escalation of U.S. bombing in Cambodia or for its resumption anywhere else in Indochina unless provoked. As expressed by one member of the committee's view on this matter is that "under this authority all efforts should be made consistent with the limited military objectives involved, to minimize damage to civilian life and property." The committee's expectation in this matter has been communicated to the White House and assurances have been received in return that these guidelines are acceptable.

The committee's expectation in this matter has been communicated to the White House and assurances have been received in return that these guidelines are acceptable. In reaching agreement upon the terms of this amendment, both the executive branch and the committee receded in part from positions which had been strongly held over a number of years. More important than any of these concessions, however, is the fact that the war will end, that a proper constitutional balance will have been restored, and that a new era of national unity and positive accomplishment will now be possible.

Mr. SCOTT of Pennsylvania. Mr. President, will the distinguished Senator yield?

Mr. FULBRIGHT. I yield to the distinguished minority leader.

Mr. SCOTT of Pennsylvania. Mr. President, the distinguished chairman of the committee has correctly stated the agreement in committee, of course. His statement reflects the views of a majority of the committee, and in many respects reflects the views of nearly everyone on the committee. There are some statements made, of course, where there have been disagreements within the committee, but I agree with what the distinguished chairman has said, and it is essential that some concessions be made on the part of the executive and on the part of the legislative branch; and we have met sincerely in an effort to achieve an end to the hostilities in Indochina.

I have undertaken, as the distinguished chairman has noted, to secure assurances that there would be no escalation in the

bombing during this intervening period, that great care would be taken to avoid damage to civilian persons and property. That point was raised by several Members. We have received that assurance from the White House. I have revealed to the committee the persons with whom I have discussed it.

I think we all approach this with a feeling of immense relief, a relief so great as not to be quantified even in ordinary language. The distinguished chairman knows I have already made statements regarding my view that we ought to find a way to end the bombing in Cambodia not later than tomorrow night, midnight. I have had this personal agony that we have all shared in the Senate.

It is my view that we have arrived at a solution which ought to be gladly accepted by the Congress and by the Executive because I think it is in the interest of the Nation, although I know there are those in the Executive who feel that the negotiation stance has been hampered—and I suppose it has. And there are those who feel—and I can understand their feeling—that this continues the right, at least, to continue the bombing until August 15.

However, had the constitutional crisis evolved and the vetoes continued, consequences would have flowed far beyond the contention here. Moreover, had the executive prevailed over that period of time, because of the understandable desire of Congress that the other functions of government continue, the right of the Executive to continue the bombing indefinitely would have been made possible, at least, through lack of effective action by the Congress.

Therefore, for those who would be tempted to say—and I can understand it—that this does continue the right to do things which are distasteful to them in the extreme until the 15th of August, they should be reminded that the right would have continued for a much longer time had the Executive prevailed.

So I think we made a good decision when we consider that there were many points of view. Some of the points of view the chairman read were not agreements that, under other circumstances, I would have been a party to. I think all of us together have really wrought as well as we could considering the complexity of the problems and the necessity for the finding of an immediate solution, if we possibly could, and I congratulate the chairman.

Mr. FULBRIGHT. Mr. President, I congratulate the distinguished minority leader for his words. I should like to raise one question. I do not recognize the constitutional right or power of the Executive to continue bombing. Many of us do not believe he has a constitutional right to do this in Cambodia. But that does not answer the question. What we are seeking is a practical end to the war in Vietnam.

I appreciate very much what the Senator from Pennsylvania said. All of us can express reservations. I would much prefer, as others do, that the bombing stop now. I wish it had been stopped 5 years ago. But we were involved in it.

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and the minority leader here, there would not be the slightest difficulty in overriding a veto. That, in itself, would be equally effective, in my opinion, if the President wished to take that kind of action, which I do not believe he will. If he does, then I do not think there would be any doubt that both Houses would easily override.

Mr. HARTKE. Mr. President, I do not believe the Senator from South Dakota or the Senator from Indiana in any way question the veracity of the statements made. I think we are determining definitely that the Foreign Relations Committee acted on representation of conversations which were made by the minority leader who, in turn, relied on statements made by the minority leader of the House, who in turn claimed that he had a conversation with the President. Is that correct?

Mr. FULBRIGHT. The Senator is insinuating—but that is correct—that in some way or other the President has not given his assurance. Let me say to the Senator from Indiana that we have been on this matter all day long, and if the Senator wishes to delay the Senate—as I have delayed it myself some times—I hope that he will—

Mr. HARTKE. Could we not put the vote over until tomorrow and have the President make a statement to the Nation?

Mr. FULBRIGHT. That would be unwise. We have so much to do. The Senator knows the problems of the leadership. Of course, that is not my responsibility.

Mr. HARTKE. I would be glad personally to see that we could vote at a time certain tomorrow. I do not know of any reason why this is a matter of such urgency that we have to rely on statements made by the Foreign Relations Committee on behalf of the minority leader or on representations made by the minority leader of the House.

Mr. MANSFIELD. If the Senator from Indiana would yield, may I say that in all my years in the Senate I have, without question, accepted the word of every Senator when that word was given. That word, of course, applies to the distinguished minority leader.

Mr. HARTKE. With all due deference to the distinguished majority leader, for whom I have the highest respect and have admired tonight, especially, more deeply than I probably ever will in my life, and I say that with great respect for what he has done and for his steadfastness on this question, but I know that I was here when the Gulf of Tonkin was passed and I also know that representations were made on the floor of the Senate about that. I do not claim that anyone at that time purposely misled the Senate, but I know that I was very much concerned; and if I had had the slightest idea that, as a result of my vote on that resolution, it would result in over 50,000 Americans dying in Vietnam, I would not have done so. I feel that in view of what is going on in this country at this moment, we have to rely on third-hand information, which is certainly indicative of the surrender we are about to participate in tonight, and I would—

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. HARTKE. I am not ready to vote.

Mr. ABOUREZK. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield.

Mr. ABOUREZK. Mr. President, I only wanted to say that I never meant to say I did not accept the word of the minority leader or of the assistant minority leader. What I am merely saying is this, and I want to make it very clear: That when the minority leader said he talked to Mr. Laird, I believe him. All I am asking for is that we hear from the President and not from Mr. Laird. I think that is not too much to ask. I know that earlier this week, some spokesman at the White House announced that as soon as John Dean was done testifying, the President would take to television and speak to the Watergate issue. But after that was over, the White House denied that was ever said.

All I am saying is, we should hear directly from the President. This is an important matter, much too important to rely on an aide in the White House—albeit a highly placed aide—it is much too important to rely on anyone but the President. That is not too much to ask for.

Mr. FULBRIGHT. Well, for whatever it is worth, this is on the ticker, it occurred on the floor of the House today, as follows:

Minority Leader Ford—I have just talked to the President for 10 minutes and he assured me personally that everything I said on the floor was a commitment by him, Ford said. Ford had earlier told the House, based on the conversation with President Nixon, with domestic adviser Laird, that the President would accept the August 15 termination date.

Unless the Senator questions Ford's word, he said he personally had talked to him.

Mr. ABOUREZK. I wonder whether anyone might be able to answer—and I see the distinguished minority leader is present in the Chamber now—perhaps he can answer it—why it is that the President cannot make a very important statement directly for himself? Why is he not able to do that?

Mr. SCOTT of Pennsylvania. Mr. President, I would say to the Senator from South Dakota, whom I greatly respect and who has not been here as long as some of us, that we normally do not have on the Senate floor the presence of the President of the United States, nor do we, as a rule, require Senators to take an oath that they have talked to the President or with Members of the House.

I believe that the Senator has been assured the President telephoned the minority leader of the House of Representatives and that this agreement was satisfactory to him. I received a call from Mr. Melvin Laird and I made some reference to it, without calling his name earlier, and affirmed that the President had said it. Now, if the Senator from South Dakota wants any affidavits, I will be glad to make them, but barring affidavits, I must confess that I am a little bit at a loss to know why the Sen-

ator is making such a big thing out of whether the President has said it.

I said that the President said it. GERRY FORD told the House of Representatives that he said it. I am therefore content to rest on that and I leave it to the Senator from South Dakota to make his own decision as to the veracity of the Members of either body.

Mr. ABOUREZK. Mr. President, I wish to apologize to the distinguished minority leader for making such a big thing out of stopping the bombing in Cambodia. I sincerely wish to apologize for that.

Mr. SCOTT of Pennsylvania. The Senator from South Dakota misunderstood me. I did not say that, nor did the Senator say that prior to the talk—

Mr. ABOUREZK. I did not dispute the minority leader's word. Had he been in the Chamber, he would have heard me say that. As a matter of fact, I believe the minority leader when he said that he talked to Mr. Laird. However, my question is: Is there any reason why the President cannot make a statement to the Nation so that everyone can hear it?

Mr. HARTKE. Let me say to the Senator from South Dakota that I asked that question early this evening. At that time, there was some confusion—I say this to the chairman of the Foreign Relations Committee—and I then looked for someone on the floor to find out on what authority we could rely. I do not think there is any question that the minority leader speaks probably the truth, that he talked to Mr. Laird and Mr. Laird said what FORD said that the President said, that—What was it? Does the Senator know what he said? I do not know what he said on the floor. I was not on the floor of the House.

Mr. SCOTT of Pennsylvania. The President has indicated that he would sign that resolution if it is adopted by both House. I think that is sufficient. I did not talk to the President. I talked to Mr. Laird.

Mr. HARTKE. Is that what Mr. FORD said on the floor? Did he say that he indicated that he would or that he said he would? What is it that the President allegedly told Representative FORD?

SEVERAL SENATORS. Vote! Vote!

Mr. SCOTT of Pennsylvania. I do not think that warrants an answer.

Mr. HARTKE. Senators can yell "Vote!" all night. I am not going to sit down—and I have been chastised by this President and former Presidents—without understanding what we are going to vote on tonight.

Many Senators here have opposed this war for a long time; many of us have taken a long time to debate the Eagleton amendment; and tonight we have to hurry it through, as we did with the Gulf of Tonkin resolution, on representations.

The Senator from South Dakota has stated it accurately: What denies the Senate the right to hear exactly what the President has said that he would or would not do? Is there any reason why we cannot hear that? If there is any reason why we cannot hear it, we can go ahead and talk awhile, because I think we are going to be here awhile otherwise.

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CONGRESSIONAL RECORD — SENATE

June 29, 1973

Mr. SCOTT of Pennsylvania. Mr. President—

Mr. HARTKE. I have said repeatedly that I do not intend to sit down. I have the floor, and if the Senator wants to answer that question, that is all right.

Mr. SCOTT of Pennsylvania. The Senator wants to answer.

Mr. HARTKE. I will be glad to listen.

Mr. SCOTT of Pennsylvania. The Senator has asked a question: What is it the President has agreed to do? The answer is that the President has agreed to sign the joint resolution.

Mr. HARTKE. Has he agreed to stop the bombing on August 15?

Mr. SCOTT of Pennsylvania. The President has agreed to sign the joint resolution which has been explained by the chairman of the Foreign Relations Committee and by Members of the House of Representatives.

Mr. HARTKE. Does he agree to stop the bombing by August 15?

Mr. SCOTT of Pennsylvania. I think that the answer to that is that the President has agreed to accept what Congress does in connection with the wording which has been agreed to. That has been thoroughly explained by the distinguished chairman of the Foreign Relations Committee as regarding an end to the bombing on the 15th of August.

I do not know how much more the Senator from Indiana can ask, unless the Senator is asking something which is beyond my ability to supply.

Mr. HARTKE. I think the Senator correctly stated the subject. I do not think the minority leader can give an answer on his own. I agree with that. I think the President can.

I ask the chairman of the Foreign Relations Committee—has the President assured him that he will stop the bombing on or before August 15?

Mr. FULBRIGHT. I have not communicated with the President.

Mr. HARTKE. In other words, we have no assurance whatsoever tonight that the bombing is going to be stopped on or before August 15. All we have is an assurance that he will sign a document which says something to the effect that we are not going to have any money. Is that right?

Mr. SCOTT of Pennsylvania. I believe the distinguished chairman of the Foreign Relations Committee has read the statement on the teletype from Representative FORD of Michigan. I have said it with all the sincerity and assurance I can command—and I have asked the Senators to accept it with full credibility, and I believe that, generally speaking, they have shown that desire.

I interpret this as stopping the bombing on the 15th of August. If the distinguished Senator from Indiana wants more than Members of the Senate can supply him, I know of no way to do it other than what we are doing. We are supposed to make our own decisions here, based on the information given us. That information is that the President accepts the resolution in that form. We have an agreement pending, if the Senate and the House of Representatives wish to adopt it. Under that agreement, the bombing will stop on August 15. The

President understands that; the Senator from Indiana understands it, I hope; and the Senator from Pennsylvania understands it.

Now, what more the Senator wants is absolutely beyond me, and I am totally mystified by this line of questioning.

Mr. HARTKE. I want the killing stopped tonight.

Mr. SCOTT of Pennsylvania. Then, the Senator should vote according to his conscience.

Mr. GRIFFIN. Mr. President, as the Senate proceeds to a vote on this continuing resolution, I shall vote for it with a sense of deep concern.

Others in the course of this debate have expressed the concern that the amendment which cuts off funds for bombing and other military action in 45 days will not bring peace soon enough. They demand peace now.

My concern is that, instead of a step toward peace, this action on the part of the Senate tonight could be a step away from peace.

If this action should seriously weaken the position of our negotiators as they bargain with respect to Southeast Asia or with respect to Europe and the world, it could seriously damage the opportunity for a generation of peace that is before us as a result of President Nixon's diligent efforts.

The greatest danger, I suggest, is that the action we take here could result in miscalculation—that is, maybe misinterpreted in other parts of the world as a sign of weakness.

I believe it should be said, in the context of this debate, that the United States as a Government is not turning its back on its obligations or responsibilities as a world leader by adopting this amendment.

Like others who will vote for this measure tonight, I want this action to be a contribution toward peace—not a step toward hostility and more killing.

It can be a step toward peace if there is no miscalculation in other parts of the world as to the meaning of our action.

It can be a step toward peace if others in the world understand that the United States as a nation continues to expect and insist upon compliance with the treaties and other solemn obligations to which it is a party.

It should be clearly understood that adoption of this resolution; particularly the amendment relating to military activities in Southeast Asia, does not eliminate the ability of our Nation to meet its obligations under the Paris agreement of January 27; and does not terminate the ability of our Nation to carry out its responsibilities under that and other international agreements.

As a nation, despite this amendment, we continue to expect and insist upon good faith compliance with such agreements.

If that message is understood around the world, then this step tonight can truly be a step toward world peace.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN) is necessarily absent.

I further announce that the Senator from Iowa (Mr. CLARK), and the Senator from Delaware (Mr. BIDEN) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The Senator from Vermont (Mr. STAFFORD) is necessarily absent.

The Senator from Idaho (Mr. McCLELLAN) and the Senator from New York (Mr. JAVITS) are absent on official business.

Also the Senator from Arizona (Mr. GOLDWATER) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

If present and voting, the Senator from New York (Mr. JAVITS), the Senator from Vermont (Mr. STAFFORD), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 64, nays 26, as follows:

[No. 260 Leg.]

YEAS—64

Aiken	Ervin	Nelson
Allen	Fannin	Nunn
Baker	Fong	Packwood
Bartlett	Fulbright	Pastore
Beall	Griffin	Pearson
Bellmon	Gurney	Pell
Bennett	Hansen	Percy
Bible	Helms	Proxmire
Byrd	Hollings	Roth
Harry F., Jr.	Hruska	Saxbe
Byrd, Robert C.	Huddleston	Scott, Pa.
Cannon	Humphrey	Scott, Va.
Case	Jackson	Sparkman
Chiles	Johnston	Stevens
Church	Long	Stevenson
Cook	Magnuson	Symington
Cranston	McClellan	Taft
Curtis	McGee	Talmadge
Dole	McGovern	Tower
Domenici	McIntyre	Williams
Dominick	Metcalf	Young
Eastland	Montoya	

NAYS—26

Abourezk	Hartke	Mondale
Bayh	Haskell	Moss
Brock	Hatfield	Muskie
Brooke	Hathaway	Randolph
Buckley	Hughes	Ribicoff
Burdick	Inouye	Schweiker
Eagleton	Kennedy	Tunney
Gravel	Mansfield	Weicker
Hart	Mathias	

NOT VOTING—10

Bentsen	Goldwater	Stennis
Biden	Javits	Thurmond
Clark	McClellan	
Cotton	Stafford	

So Mr. FULBRIGHT's amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLELLAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

May 7, 1973

military capability and to greater self-reliance by the armed forces of such countries.

(2) encourage effective and mutually beneficial relationships and enhance understanding between the United States and friendly foreign countries in order to maintain and foster the environment of international peace and security essential to social, economic and political progress; and

(3) promote increased understanding by friendly foreign countries of the policies and objectives of the United States in pursuit of the goals of world peace and security.

"SEC. 542. GENERAL AUTHORITY.—The President is authorized in furtherance of the purposes of this chapter, to provide military education and training by grant, contract, or otherwise including—

(1) attendance by military and related civilian personnel of friendly foreign countries at military educational and training facilities in the United States (other than the Service Academies) and abroad;

(2) attendance by military and related civilian personnel of friendly foreign countries in special courses of instruction at schools and institutions of learning or research in the United States and abroad;

(3) observation and orientation visits by foreign military and related civilian personnel to military facilities and related activities in the United States and abroad; and

(4) activities that will otherwise assist and encourage the development and improvement of the military education and training of members of the armed forces and related civilian personnel of friendly foreign countries so as to further the purposes of this chapter, including but not limited to the assignment of noncombatant military training instructors, and the furnishing of training aids, technical, educational and informational publications and media of all kinds.

"SEC. 543. AUTHORIZATION.—Appropriations to the President of funds to carry out the purposes of this chapter are hereby authorized. Such appropriations are authorized to remain available until expended.

"SEC. 544. ANNUAL REPORTS.—The President shall submit no later than December 31 each year a report to the Congress of activities carried on and obligations incurred during the immediately preceding fiscal year. In furtherance of the purposes of this chapter each such report shall contain a full description of the program and the funds obligated with respect to each country concerning which activities have been carried on in furtherance of the purposes of this chapter."

(b) The Foreign Assistance Act of 1961, as amended, is amended as follows:

(1) Section 503(d) of said Act, relating to general authority, is amended by striking out the comma and the words "including those relating to training or advice".

(2) Section 504(a) of said Act, relating to authorization, is amended by striking out "(other than training in the United States)".

(3) Section 510 of said Act, relating to restrictions on training foreign military students, is repealed.

(4) Section 622 of said Act, relating to coordination with foreign policy, is amended as follows:

(i) In subsection (b), immediately after the phrase "(including civic action)" insert the words "and military education and training";

(ii) Subsection (c) is amended to read as follows:

"(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance and military education and training programs, including but not limited to determining whether there shall

be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby."

(5) Section 623, relating to the Secretary of Defense, is amended as follows:

(i) In subsection (a)(4), immediately after the word "military," insert the words "and related civilian";

(ii) In subsection (a)(6), immediately after the word "assistance", insert a comma and the words "education and training".

(6) Section 632, relating to allocation and reimbursement among agencies, is amended by inserting in subsections (a), (b) and (e) immediately after the word "articles", wherever it appears, a comma and the words "military education and training";

(7) Section 636, relating to provisions on uses of funds, is amended as follows:

(i) In subsection (g)(1), immediately after the word "articles", insert a comma and the words "military education and training"; and

(ii) In subsection (g)(2), strike out the word "personnel" and insert in lieu thereof the words "and related civilian personnel".

(8) Section 644 of said Act, relating to definitions, is amended as follows:

(i) subsection (f) is amended to read as follows:

"(f) 'Defense service' includes any service, test, inspection, repair publication or technical or other assistance or defense information used for the purposes of furnishing military assistance, but shall not include military educational and training activities under chapter 5 of part II"; and

(ii) there is added at the end thereof the following new subsection:

"(n) 'Military education and training' includes formal or informal instruction of foreign students in the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces."

(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified by appropriate authority.

(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

ADMINISTRATIVE PROVISIONS

SEC. 14. Section 625 of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to employment of personnel, is amended by adding at the end thereof the following new subsection:

"(k) (1) In accordance with such regulations as the President may prescribe, the following categories of personnel who serve in the Agency for International Development shall become participants in the Foreign Service Retirement and Disability System:

"(A) Persons serving under unlimited appointments in employment subject to section 625(d)(2) of this Act as Foreign Service Reserve officers and as Foreign Service staff officers and employees; and

"(B) A person serving in a position to which he was appointed by the President,

whether with or without the advice and consent of the Senate, provided that (1) such person shall have served previously under an unlimited appointment pursuant to said section 625(d)(2) or a comparable provision of predecessor legislation to this Act, and (2) following service specified in proviso (1) such person shall have served continuously with the Agency for International Development or its predecessor agencies only in positions established under the authority of sections 624(a) and 631(b) or comparable provisions of predecessor legislation to this Act.

"(2) Upon becoming a participant in the Foreign Service Retirement and Disability System, any such officer or employee shall make a special contribution to the Foreign Service Retirement and Disability Fund in accordance with the provisions of section 852 of the Foreign Service Act of 1946, as amended. Thereafter, compulsory contributions will be made with respect to each such participating officer or employee in accordance with the provisions of section 811 of the Foreign Service Act of 1946, as amended.

"(3) The provisions of section 636 and title VIII of the Foreign Service Act of 1946, as amended, shall apply to participation in the Foreign Service Retirement and Disability System by any such officer or employee.

"(4) If an officer who became a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection is appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to a position in any Government agency, any United States delegation or mission to any international organization, in any international commission, or in any international body, such officer shall not, by virtue of the acceptance of such an appointment, lose his status as a participant in the system.

"(5) Any such officer or employee who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection, shall be mandatorily retired (a) at the end of the month in which he reaches age seventy or (b) earlier if, during the third year after the effective date of this subsection, he attains age sixty-four or if he is over age sixty-four; during the fourth year at age sixty-three; during the fifth year at age sixty-two; during the sixth year at age sixty-one; and thereafter, at the end of the month in which he reaches age sixty: *Provided*, That no participant shall be mandatorily retired under this paragraph while serving in a position to which appointed by the President, by and with the advice and consent of the Senate. Any participant who completes a period of authorized service after reaching the mandatory retirement age specified in this paragraph shall be retired at the end of the month in which such service is completed.

"(6) Whenever the President deems it to be in the public interest, he may extend any participant's service for a period not to exceed five years after the mandatory retirement date of such officer or employee.

"(7) This subsection shall become effective on the first day of the first month which begins more than one year after the date of its enactment, except that any officer or employee who, before such effective date, meets the requirements for participation in the Foreign Service Retirement and Disability System under paragraph (1) of this subsection may elect to become a participant before the effective date of this subsection. Such officer or employee shall become a participant on the first day of the second month following the date of his application for earlier participation. Any officer or employee who becomes a participant in the system under the provisions of paragraph (1) of this subsection, who is age fifty-seven or over on the effective date of this subsection, may retire voluntarily at any time before manda-

tory retirement under paragraph (5) of this subsection and receive retirement benefits under section 621 of the Foreign Service Act of 1946, as amended.

"(8) Any officer or employee who is separated for cause while a participant in the Foreign Service Retirement and Disability System pursuant to this subsection, shall be entitled to benefits in accordance with subsections 637(b) and (d) of the Foreign Service Act of 1946, as amended. The provisions of section 625(e) of this Act shall apply to participants in lieu of the provisions of sections 633 and 634 of the Foreign Service Act of 1946, as amended."

SEC. 15. Section 637(a) of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to authorizations for administrative expenses, is amended by striking out "for the fiscal year 1972, \$50,000,000, and for the fiscal year 1973, \$50,000,000," and inserting in lieu thereof "for the fiscal year 1974, \$53,100,000, and for the fiscal year 1975, \$53,100,000".

SEC. 16. Section 639 of chapter 2 of part III of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 639. Famine and Disaster Relief. Notwithstanding the provisions of this or any other Act, the President is authorized to furnish famine or disaster relief or rehabilitation or related assistance abroad on such terms and conditions as he may determine."

INDOCHINA POSTWAR RECONSTRUCTION

SEC. 17. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"PART V "CHAPTER 1. POLICY

"SEC. 801. STATEMENT OF POLICY. The Congress, recognizing the importance of a stable peace in Indochina to the achievement of a lasting peace in Asia and throughout the world, believes that the United States can further these objectives by contributing to healing the wounds of war and by assisting the countries and peoples of Indochina in the realization of human aspirations in a peaceful manner. It is the sense of Congress that the objectives of a stable and lasting peace would be served by a program of humanitarian relief and reconstruction assistance in Indochina.

"CHAPTER 2. GENERAL AUTHORITY AND AUTHORIZATION

"SEC. 821. GENERAL AUTHORITY. The President is authorized to furnish, on such terms and conditions as he may determine, assistance for relief and reconstruction of South Vietnam, Cambodia and Laos, including humanitarian assistance to refugees, civilian war casualties and other persons disadvantaged by hostilities or conditions related to those hostilities in South Vietnam, Cambodia and Laos.

"SEC. 822. Authorization. There is authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed \$632,000,000, which amount is authorized to remain available until expended.

"CHAPTER 3—CONSTRUCTION WITH OTHER LAWS

"SEC. 831. Authority. All references to part I, whether heretofore or hereafter enacted, shall be deemed to be references also to this part unless otherwise specifically provided. The authorities available to administer part I of this Act shall be available to administer programs authorized in this part."

FOREIGN MILITARY SALES

SEC. 18. The Foreign Military Sales Act, as amended is amended as follows:

(a) In section 23 of chapter 2, relating to credit sales, strike out "ten" and insert in lieu thereof "twenty".

(b) In section 24(a) of chapter 2, relating to guaranties, strike out "doing business in the United States".

(c) In section 24(c) of chapter 2, relating to guaranties:

(1) strike out "pursuant to section 31" and insert in lieu thereof "to carry out this Act"; and

(2) insert "principal amount of" immediately before the words "contractual liability" wherever they appear.

(d) In section 31(a) of chapter 3, relating to authorization, strike out "\$400,000,000 for the fiscal year 1972" and insert in lieu thereof "\$525,000,000 for the fiscal year 1974".

(e) In section 31(b) of chapter 3, relating to authorization, strike out "(excluding credits covered by guaranties issued pursuant to section 24(b) and of the face amount of guaranties issued pursuant to sections 24(a) and (b) shall not exceed \$550,000,000 for the fiscal year 1972, of which amount not less than \$300,000,000 shall be available to Israel only" and insert in lieu thereof "and of the principal amount of loans guaranteed pursuant to section 24(a) shall not exceed \$760,000,000 for the fiscal year 1974".

(f) In section 33(a) of chapter 3, relating to aggregate regional ceilings:

(1) strike out "of cash sales pursuant to sections 21 and 22";

(2) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24(a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)"; and

(3) strike out "\$100,000,000" and insert in lieu thereof "\$150,000,000".

(g) In section 33(b) of chapter 3, relating to aggregate regional ceilings:

(1) strike out "of cash sales pursuant to sections 21 and 22";

(2) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24(a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)".

(h) In section 33(c) of chapter 3, relating to aggregate regional ceilings:

(1) strike out "expenditures" and insert in lieu thereof "amounts of assistance, credits, guaranties, and ship loans";

(2) strike out "of cash sales pursuant to sections 21 and 22"; and

(3) strike out "(excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24(a) and (b)" and insert in lieu thereof "of the principal amount of loans guaranteed pursuant to section 24(a)".

(i) In section 36 of chapter 3, relating to reports on commercial and governmental military exports, subsection (a) is hereby repealed and subsections (b) and (c) are redesignated as (a) and (b), respectively.

(j) In section 37(b) of chapter 3, relating to fiscal provisions, insert after "indebtedness" the following: "under section 24(b) (excluding such portion of the sales proceeds as may be required at the time of disposition to be obligated as a reserve for payment of claims under guaranties issued pursuant to section 24(b), which sums are hereby made available for such obligations)".

A SECTION-BY-SECTION ANALYSIS OF THE PROPOSED FOREIGN ASSISTANCE ACT OF 1973

I. INTRODUCTION

The proposed Foreign Assistance Act of 1973 (hereinafter referred to as the "Bill") is an amendment to the Foreign Assistance Act of 1961, as amended (hereinafter referred to as the "Act"). The Bill also amends the Foreign Military Sales Act (hereinafter referred to as "the FMSEA").

The principal new substantive provisions of the Bill are: (a) a new Part V dealing with Indochina Reconstruction, (b) a new chapter

in Part II providing for a program of International Military Education and Training, (c) a new provision permitting personnel of the Agency for International Development ("A.I.D.") to participate in the Foreign Service Retirement System, and (d) provisions permitting greater flexibility in the conduct of disaster relief activities, operations of the Overseas Private Investment Corporation, and Foreign Military Sales programs.

The Bill makes authorization for two years for all development accounts and for narcotics control, and provides a one year authorization for Indochina reconstruction and security assistance programs.

II. PROVISIONS OF THE BILL DEVELOPMENT LOAN FUND

Section 2(a)—Authorization

(1) and (2). These provisions amend section 202(a) of the Act to provide authorizations for fiscal years 1974 and 1975 for development loans in the amount of \$201,400,000 for each year.

(3) and (4). These provisions make applicable through fiscal year 1975 the second proviso in section 202(a), requiring that not less than 50 percent of the funds appropriated for development loans be used to encourage economic development through private enterprise.

Section 2(b)—Fiscal Provisions

This subsection extends the provisions of section 203 through fiscal year 1975.

Technical Cooperation and Development Grants

Section 3(a)—Authorization

This subsection adds the word "directly" to the sentence which limits to forty the number of countries to which technical assistance may be furnished under title II. The purpose of this amendment is to make clear that the forty country limitation applies only to bilateral assistance furnished directly by the government of the United States to the governments of less developed countries and is not applicable to assistance to private organizations, such as the International Executive Service Corps, which conduct programs in countries to which the United States government does not furnish bilateral assistance. The amendment is also intended to make clear that programs of research and experimentation authorized under section 241 of the Act are not considered assistance to countries within the meaning of section 211 or any other section of the Act.

Section 3(b)—Authorization

This subsection amends section 212 of the Act to authorize the appropriation of \$165,650,000 for fiscal year 1974 and \$165,650,000 for fiscal year 1975 for technical cooperation and development grants.

Section 3(c)—American Schools and Hospitals Abroad

(1) This provision amends section 214(c) of the Act to provide authorizations in the amount of \$10,000,000 for fiscal year 1974 and \$10,000,000 for fiscal year 1975 for assistance to American schools and hospitals abroad. It also eliminates unnecessary language pertaining to expenditures of funds appropriated for fiscal year 1970.

(2) This provision repeals subsection 214(d) which pertained to authorization of excess foreign currency appropriations for fiscal year 1970 and is no longer necessary.

Housing Guaranties

Section 4(a)—Worldwide Housing Guaranties
This subsection amends section 221 of the Act by increasing to \$480,000,000 the amount of worldwide housing investment guaranty authority.

Section 4(b)—Housing Projects in Latin American Countries

This subsection amends subsection 222(c) of the Act by increasing to \$594,900,000 the

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amount of Latin American housing guaranty authority.

Section 4(c)—General Provisions

This subsection amends subsection 223(1) of the Act to make housing guaranty authority available through June 30, 1976.

Overseas Private Investment Corporation

Section 5(a)—Risk Management and Risk Sharing

This section amends section 231(d) to strengthen OPIC's existing mandates to conduct its insurance operations with due regard to risk management and to share its insurance risks by confirming that OPIC's risk-sharing may be with other insurers, public or private, and by committing OPIC to seek in future insurance underwritings to assure that the costs of the program will be fully covered over the long term by the private users of the program.

Section 5(b)—Economic Interests of the United States

This section amends section 231(1) of the Act by specifying U.S. employment interests, as well as U.S. balance-of-payments interests, in the consideration of the effects of a proposed project on the U.S. economy.

Section 5(c)—Stock Rights

This section amends section 234(c) of the Act to permit the Corporation to acquire in its financing operations, warrants and other rights to acquire stock, but provides that such rights may not be exercised while held by OPIC. This change was adopted by the Senate in the Foreign Assistance Act of 1972 which for other reason was delayed in its enactment by Congress.

The amendment would not allow OPIC to purchase stock. Under present law, OPIC may acquire debt securities convertible to stock (for example, convertible debentures) and sell them to investors, but may not convert them to stock while they are held by OPIC. OPIC has found that rights to acquire stock are more flexible and more popular as a financing tool than convertible debt securities and that borrowers in less developed countries are often reluctant to issue convertible debt securities because of the legal technicalities associated with them. With broader latitude as to the form of stock rights OPIC could obtain and sell, OPIC would be able to spur private local participation to OPIC-financed projects because potential purchasers could be offered a choice of an equity or debt position is a project. This would be especially attractive to small financial institutions which might be reluctant to purchase debt securities containing complex conversion features.

The amendment also would make it clear that the authority to receive convertible debt securities and rights to acquire stock applies to all of OPIC's financing operations, that is to investment guaranties as well as direct loans.

Section 5(d)—Issuing Authority

This section would amend section 235(a) (4) of the Act to extend OPIC's investment insurance and guaranty authority from June 30, 1974 until June 30, 1976.

The Foreign Assistance Act of 1969, which was enacted December 30, 1969, authorized extension of the 25-year old political risk insurance program and the extended risk guaranty program for five years from June 30, 1969 and provided for the establishment of the Overseas Private Investment Corporation to operate these programs. The five-year extension of the insurance and guaranty programs was intended to provide a reasonable period for testing of the management of the programs by a public corporation and to determine the feasibility of further steps toward private management and financing of some or all of OPIC's services.

Because of the delayed enactment of the legislation and the further delay of one year in establishing OPIC, the actual period of

testing will be only about three years when OPIC is scheduled to submit a report to the Congress next March and only three and one-half years when the present insurance and guaranty authorities expire on June 30, 1974. More time will be needed to establish a record of the new OPIC policies on which to base negotiation of possible arrangements for transferring parts of the program to private organizations, and to permit informed judgment of whether and how the program should be recast in long-term legislation. Consequently, an interim extension of two years is proposed, to June 30, 1976, consistent with the two-year extension of other chapter 2 programs sought by this Bill. (In addition, as provided in section 5(g) of this Bill, the deadline for OPIC's submission of a report to Congress analyzing the possibility of transferring all or part of its activities to private United States citizens or organizations would be extended 11 months, to no later than February 1, 1975. This would allow time for consultation and legislation based on the report before expiration of the authorities.)

Section 5(e)—General Provisions and Powers

This section would amend section 239(d) to clarify and expand OPIC's authority to enter into coinsurance and reinsurance agreements with private insurance companies and others, and to enter into pooling arrangements with other national or multinational insurance and financing agencies. The first part of this provision is similar to the authority contained in the Export-Import Bank Act of 1945, as amended. International risk-pooling arrangements can serve common interests by strengthening deterrence against confiscatory treatment of foreign investors. Risk-sharing with private United States insurance companies is an essential element of experimental steps toward private participation in OPIC's operations, now being discussed with the U.S. insurance industry.

Section 5(f)—Agricultural Credit and Self-Help Community Development Projects

This section would amend section 240(h) to extend for two years—to June 30, 1975—the authority for OPIC to establish pilot loan guaranty programs in five Latin American countries to encourage private banks and other local credit institutions to make agricultural and community development loans to organized groups and individuals who have been unable to obtain credit on reasonable terms. Experience in two years of pilot operation demonstrated the need for the participation of central banks in the program in order to assure increased lending capacity and to induce private banks to engage in such small scale lending. The extension would allow time to test the new system, which could not be installed until early 1973.

Section 5(g)—Reports to the Congress

This section amends section 240A(b) to extend for 11 months, to no later than February 1, 1975, the deadline for submission to the Congress of an analysis of the possibilities of transferring all or part of OPIC's activities to private United States citizens, corporations, or other associations. The reasons for this change are set forth in the analysis of section 5(d) above.

Alliance for progress

Section 6—Authorization

(a) This subsection amends subsection 252(a) of the Act by authorizing the appropriation of \$236,100,000 for fiscal year 1974 and \$236,100,000 for fiscal year 1975 to carry out development lending and technical assistance in Latin America.

(b) This subsection amends subsection 252(a) of the Act by limiting the amount of the total Alliance for Progress authorization which may be used for technical assist-

ance to \$86,100,000 for each of the fiscal years 1974 and 1975.

Programs relating to population growth

Section 7—Authorization

This section amends section 292 of the Act by continuing for fiscal years 1974 and 1975 the requirement that at least \$125,000,000 of all funds made available for carrying out Part I of the Act be available only for programs relating to population growth.

International organization and programs

Section 8—Authorization

(a) This subsection amends subsection 302(a) of the Act by authorizing the appropriation of \$124,800,000 for the fiscal year 1974 and such sums as may be necessary for the fiscal year 1975 grant contributions to international organizations.

(b) This subsection amends subsection 302(b) (2) by authorizing the appropriation of \$15,000,000 for each of the fiscal years 1974 and 1975 for grants for Indus Basin Development.

Contingency fund

Section 9—Authorization

(a) This subsection amends section 451 of the Act, relating to contingency funds, by authorizing \$30,000,000 for fiscal year 1974, and \$30,000,000 for fiscal year 1975.

As in the past, disaster relief and reconstruction assistance furnished under this title would be limited to short-term assistance designed to alleviate and repair the consequences of a natural or man-made catastrophe rather than providing for long-term development assistance.

(b) This subsection provides a permanent authorization for appropriations for disaster relief assistance in the case of extraordinary disasters of large magnitude. This authority would permit prompt appropriations of funds to meet emergency requirements in those cases where the assistance required is in excess of the amounts made available by the Contingency Fund or by other accounts.

International narcotics control

Section 10—Authorization

This section amends section 482 of the act by authorizing the appropriation of \$42,500,000 for international narcotics control for the fiscal year 1974 and such sums as may be necessary for the fiscal year 1975.

Military assistance

Section 11

(a) **Authorization.** This subsection amends section 504(a) of the Act to authorize the appropriation of \$652,000,000 for the fiscal year 1974.

(b) **Special Authority.** This subsection amends section 506(a) of the Act to extend without fiscal year limitation the President's special authority to order defense articles and defense services subject to subsequent reimbursement. This authority has previously been renewed from year to year in annual authorization acts.

(c) **Local Currency Deposits.** This subsection repeals section 514 of the Act which requires recipients of grant military assistance, including excess defense articles, to deposit in local currency an amount equal to ten percent of the value of such assistance for use by the United States to pay its local currency official costs in that country.

Security supporting assistance

Section 12—Authorization

This section amends section 532 of the Act to provide an authorization for security supporting assistance for fiscal year 1974 of \$100,000,000.

International military education and training

Section 13

(a) **International Military Education and Training Chapter.**

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This subsection adds to Part II of the Act a new chapter establishing a program of international military education and training, separate and distinct from the military assistance program which will henceforth be concentrated on materiel assistance. The chapter consists of four sections.

Section 541 contains a statement of the chapter's purpose, which emphasizes the differences between objectives of this new program and those of the military assistance program.

Section 542 authorizes the President to provide military education and training by grant, contract, or otherwise and describes the kind of activities that can be engaged in under this chapter. These activities include attendance by foreign military personnel and related civilians at U.S. and foreign military facilities for education or training purposes. This includes international military educational facilities such as those under NATO auspices. Also permitted is attendance by such foreign personnel at pertinent courses of instruction at nonmilitary public and private educational and research institutions. In addition, observation and orientation visits by foreign military and related civilian personnel would be provided under this chapter. Finally, section 542 provides for other activities to further the purposes of the chapter, such as the furnishing of noncombat military training instructors, media aids and publications.

Section 543 authorizes the appropriation of funds to the President to carry out the purposes of the chapter. Consistent with the establishment of a new, permanent authority for international military education and training, the authorization is not subject to a dollar ceiling or fiscal year limitation.

Section 544 requires the President to submit annual reports to the Congress concerning the activities carried on and obligations incurred for international military education and training on a country by country basis.

(b) Amendments to the Foreign Assistance Act.

This subsection amends the Act to eliminate all references to training from chapter 2 of Part III, which deals with military assistance, because military education and training programs will no longer be conducted as military assistance. Thus, for example, statutory requirements and restrictions applicable to "military assistance" (e.g. section 514, section 553, etc.) would not be applicable to military education and training programs under this chapter. The subsection also amends Part III of the Act, containing general, administrative, and miscellaneous provisions, to clarify the application of those provisions to the new chapter on international military education and training. The specific amendments made by this subsection are:

(1) This provision deletes the references to training or advice from section 503(d) of the Act, which authorizes the assignment of members of the U.S. Armed Forces to non-combatant duties.

(2) This provision deletes the exclusion of "training only" countries from the forty country limitation on the number of countries that can receive military assistance contained in section 504(a) of the Act.

(3) This provision repeals the restriction on the number of foreign military students to be trained in the United States. According to section 510 of the Act, this number cannot exceed in any fiscal year the number of civilians brought to the United States in the previous fiscal year under the Mutual Educational and Cultural Exchange Act of 1951.

(4) This provision makes clear that the roles of the Chief of the United States Diplomatic Mission and of the Secretary of State with respect to international military education and training will be the same as

they are for military materiel assistance programs. This is achieved by inserting a reference to military education and training after the reference to military assistance in subsections (b) and (c) of section 622 of the Act.

(5) This provision extends the supervisory responsibilities of the Secretary of Defense under section 623(a)(4) of the Act to military-related civilian personnel, consistent with the scope of the new chapter on international military education and training. It also makes the supervisory responsibility of the Secretary of Defense over Department of Defense functions relating to military assistance expressly applicable to military education and training as well.

(6) This provision makes the provisions of section 632 of the Act, concerning reimbursement among agencies, expressly applicable to military education and training in the same manner as that section applies to military materiel assistance.

(7) This provision amends sections 636(g) of the Act to ensure that Part II funds are available for administrative, extraordinary and operating expenses incurred in furnishing military education and training. It also makes Part II funds available for reimbursement of expenses of military-related civilian personnel in connection with orientation visits, consistent with the scope of the new chapter on international military education and training.

(8) This provision modifies the definition of defense service in section 644(f) of the Act so as to exclude references to training. By this change, the authority to furnish training as military assistance under chapter 2 of Part II of the Act will be terminated. In addition, the definition of training formerly included within the definition of defense service is made a separate subsection, subsection 644(n), which will apply to the new chapter on international military education and training. The changes made by this provision are not intended to affect the sale of training as a design service under the FMSA.

(c) Preservation of Existing Actions.

This subsection makes clear that the amendments to the Act affected by this section will not call into question the continuing validity of actions taken under authority of any provision amended or repealed by this section, such as regulations and contracts.

(d) Interim Funding.

This subsection authorizes funds heretofore made available for activities which will be funded in the future under the new international military education and training chapter to be obligated and expended either in accordance with the originally applicable authority or under the new authority.

Administrative provisions

Section 14—Employment of Personnel

This section adds a new subsection (k) to section 625 of the Act to authorize the participation in the Foreign Service Retirement and Disability System of certain categories of A.I.D. Foreign Service Personnel. Under existing law, all A.I.D. employees, both Civil and Foreign Service, are participants in the Civil Service Retirement System.

The subsection equalizes conditions of overseas career service among the foreign affairs agencies. Of the three principal agencies, States, USIA, and A.I.D., only A.I.D. foreign service personnel do not participate in the Foreign Service Retirement System.

This amendment would not create a permanent foreign assistance career service and would not prejudice any future action that the Administration or the Congress may wish to take with respect to foreign assistance.

Paragraph (k)(1) designates the categories of personnel serving in the Agency for International Development who would participate in the Foreign Service Retirement

and Disability System. Included among these categories are Foreign Service staff officers and employees who are serving under unlimited appointments. The Department of State is submitting proposed legislation that would eliminate a ten years prior service requirement for Foreign Service staff personnel in the Department of State and USIA. The Bill is consistent with that proposed legislation. It is the intention of this subsection to achieve comparable standards for retirement participation by Foreign Service staff personnel in the Department of State, USIA and A.I.D.

Paragraph (k)(2) provides that persons who become participants in the Foreign Service Retirement System shall make a special contribution to the Foreign Service Retirement and Disability Fund in accordance with section 852 of the Foreign Service Act of 1946. This means that such persons' prior contributions to another Federal retirement system, generally, the Civil Service Retirement System, will be transferred to the Foreign Service Retirement and Disability Fund. Thereafter, the normal compulsory contributions will be made to the Foreign Service Retirement and Disability Fund.

Paragraph (k)(3) provides for the application of section 636 of the Foreign Service Act of 1946, as amended, to the A.I.D. participants in the Foreign Service Retirement System. Section 636 provides for the voluntary retirement of a participant who has attained the age of 50 years and who has rendered 20 years of service.

Paragraph (k)(4) continues a participant's coverage under the Foreign Service Retirement System whenever such participant might be assigned to positions not covered by the system. This authority is similar to that contained in section 571(b) of the Foreign Service Act of 1946, as amended.

Paragraph (k)(5) is a transitional provision. It provides for the gradual retirement over a 7-year period of participants in the system who are above the Foreign Service mandatory retirement age at the time they become participants in the system. The interim schedule for the gradual transition to the Foreign Service Retirement System is similar to the transition formula authorized when the staff personnel of the State Department were transferred to the Foreign Service Retirement System pursuant to the Foreign Service Act amendments of 1960, and when U.S. Information Agency Foreign Service Information Officers, Foreign Service Reserve Officers, unlimited, and staff officers and employees were transferred under the provisions of Public Law 90-494, enacted in 1968. A proviso exempts Presidential appointees confirmed by the Senate, while so serving, from the otherwise applicable mandatory retirement age.

Paragraph (k)(6) provides that the President may, whenever he deems it to be in the public interest, extend any participant's service for a period not to exceed 5 years after the mandatory retirement date for such participant. It is anticipated that this authority will be delegated to the Administrator, A.I.D.

Paragraph (k)(7) provides that the subsection will become effective on the first day of the first month which begins more than one year after the date of enactment. It also provides that an eligible Foreign Service Reserve Officer or staff officer or employee may elect to become a participant before the mandatory requirements of the subsection become effective. Finally this paragraph provides for another transitional provision similar to that provided for Foreign Service staff personnel of the State Department in 1960, and for USIA Foreign Service Information Officers, Foreign Service Reserve Officers, unlimited, and staff officers and employees in 1968.

Paragraph (k)(8) provides that an A.I.D. participant in the Foreign Service Retirement

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ment System who is separated for cause shall be entitled to the benefits set forth in subsections 637(b) and (d) of the Foreign Service Act of 1946, as amended. Generally, these subsections set forth conditions under which contributions to the Foreign Service Retirement and Disability Fund may be refunded or continued in the system following separation for cause. The paragraph also provides that the selection-out authority contained in subsection 634(e) of the Foreign Assistance Act shall apply to A.I.D. participants in the Foreign Service Retirement System rather than the selection-out authority contained in the Foreign Service Act of 1946, as amended.

Section 15—Administrative Expenses

This section amends section 637 of the Act by providing an authorization for administrative expenses for the agency administering Part I of \$53,100,000 for fiscal year 1974 and \$53,100,000 for fiscal year 1975.

Section 16—Famine and Disaster Relief

This section amends 639 of the Act to give the President greater flexibility in carrying out programs of famine and disaster relief. Section 639 in its present form permits famine and disaster relief assistance in cases in which it would otherwise be prohibited. The section recognizes that humanitarian concerns in such cases over-ride the political considerations which, in some circumstances, should prevent the conduct of ordinary assistance programs.

The purpose of the proposed provision is to facilitate such humanitarian activities where operating procedures suitable in normal cases would unduly curtail them. Thus, for example, the provisions of the Merchant Marine Act of 1936 requiring transportation by American flag carriers would not apply in disaster situations when their use would result in delay in alleviating the consequences of the disaster. Similarly, the new authority would eliminate delays encountered in the past in responding swiftly and effectively to disaster situations because of the necessity of complying with such sections of the Act as 636(1), relating to vehicle procurement and section 604, establishing rules applicable to ordinary procurement activities.

Indochina Reconstruction

Section 17

This subsection adds a new part to the Act to provide for reconstruction of the war torn countries of Indochina. The new part contains four sections.

Section 801 is a statement of policy. It recognizes the importance of humanitarian relief and reconstruction assistance to the realization of a lasting and stable peace.

Section 821 authorizes the President to furnish assistance to South Vietnam, Laos and Cambodia. The assistance authorized may be furnished on a loan, grant, or other basis. Such aid may be used for a broad range of economic assistance activities, including relief, reconstruction, and development ranging from the most urgent emergency relief requirements, through programs to stabilize temporarily unsettled politico-economic conditions, to longer-range reconstruction projects designed to help the countries covered to resume their interrupted development. The provision contemplates that a full range of assistance mechanisms, including project, program, and technical assistance, may be utilized, and that such assistance may be furnished directly by the United States, or through private, regional, multilateral, or international organizations.

Section 822 authorizes appropriations for the purposes spelled out in section 821: \$632,000,000 is authorized for fiscal year 1974. This figure does not include any amount for assistance to North Vietnam. The section makes clear that, while this part will be the principal source of funds for economic assistance for Indochina, funds otherwise

available for these purposes, such as funds and authorities of the Overseas Private Investment Corporation (OPIC), may also be used. The funds authorized by this section may be appropriated to remain available until expended.

Section 831 provides that authorities for the performance of functions under part I of the Act shall also be available for carrying out this part of the Act. Some of those authorities in the Act are available to administer both part I and part II, while others are available for only part I. It is the intention of this section to make available for the administration of part V all authorities available to administer any part I program.

Foreign military sales

Section 18—Foreign Military Sales Act

(a) *Credit Sales Terms.* This subsection amends section 23 of the FMSA by extending from ten to twenty years the length of time for which credit may be extended.

(b) *Guaranties.* This subsection amends section 24(a) of the FMSA by eliminating the requirement that guaranties be issued only to financial institutions doing business in the United States. This change will permit the utilization of overseas sources of financing military exports at times when banks in the United States are unable to provide fully for such financing.

(c) This subsection amends section 24(c) of the FMSA in two respects:

(1) This provision is related to amendments contained in subsections (e), (f) (2), (g) (2), (h) (3), and (j) of this section of the Bill. Together, these amendments permit the sale and guarantee of promissory notes generated by credit sales under section 23 of the FMSA without additional charge against the current appropriation or the current program ceiling. Such direct credits are already charged against both the appropriation and the program ceiling in the year they are extended. These changes are intended to facilitate the Treasury Department's debt management functions and would not increase the amount of the FMS program.

(2) This provision is related to amendments contained in subsections (e), (f) (2), (g) (2), and (h) (3) of this section of the Bill. These amendments clarify the computation of the 25 percent guaranty reserve established by section 24(c) of the FMSA in conformity with the practice of the Export-Import Bank. The amendments specify that the principal amount of the loan guaranteed will be charged against the program ceiling and that 25 percent of that principal amount will be charged against the current appropriation for the guaranty reserve.

(d) *Authorization.* This subsection amends section 31(a) of the FMSA by authorizing the appropriation of \$525,000,000 for the fiscal year 1974 to carry out the purposes of the FMSA.

(e) *Aggregate Ceiling.* This subsection amends section 31(b) of the FMSA by establishing for the fiscal year 1974 a ceiling of \$760,000,000 on the aggregate total of credits and guaranties which can be issued under the FMSA. It also makes technical amendments to section 31(b) which are explained above in the analysis of subsection (c).

(f) *Latin American Ceiling.* This subsection amends section 33(a) of the FMSA by removing cash sales from the ceiling on aggregate military assistance and sales to Latin America. It also makes technical amendments to section 33(a) to bring it into conformity with the amendments explained above in the analysis of subsection (c). In addition, this subsection raises the Latin American ceiling from \$100,000,000 to \$150,000,000.

(g) *African Ceiling.* This subsection amends section 33(b) of the FMSA by removing cash sales from the ceiling on ag-

gregate military assistance and sales to Africa. It also makes technical amendments in section 33(b) to bring it into conformity with the amendments explained above in the analysis of subsection (c).

(h) *Waiver of Regional Ceilings.* This subsection amends section 33(c) of the FMSA to bring its terms into conformity with the amendments made by subsections (c), (f) (1) and (2), and (g) of this section of the Bill.

(i) This subsection repeals section 36(a) of the FMSA, which requires the Secretary of State to submit semi-annual reports to the Congress of exports of significant defense articles on the United States munitions list. Section 657 of the Act, which was enacted in 1972 in Public Law 92-226, now requires the submission of annual reports containing all of the information included in the reports submitted under section 36 (a) of the FMSA.

(j) This subsection amends section 37(b) of the FMSA to permit the deposit of a portion of the proceeds from the sale of promissory notes into the guaranty reserve. This change is related to the amendment made by subsection (c) (1) and its purpose and effect are explained in the analysis of that subsection.

By Mr. BEALL (for himself and Mr. MATHIAS):

S. 1712. A bill to amend title II of the Social Security Act to provide a special rule for determining insured status, for purposes of entitlement of disability insurance benefits, of individuals whose disability is attributable directly or indirectly to meningioma or other brain tumor. Referred to the Committee on Finance.

Mr. BEALL. Mr. President, I am sending to the desk, in conjunction with my distinguished colleague (Mr. MATHIAS) a bill that would provide a special rule for determining disability insured status for individuals who are disabled directly or indirectly by meningioma or other brain tumors.

Mr. President, this bill is identical to S. 686, which was introduced into the 92d Congress. This legislation resulted from information provided to us by Mrs. Irene C. Heap of Silver Spring, Md. Mrs. Heap has summarized her situation in a letter addressed to the Members of Congress, and I ask unanimous consent that the text of this letter be printed at this point in the CONGRESSIONAL RECORD followed by the text of this legislation.

There being no objection, the letter and bill were ordered to be printed in the RECORD, as follows:

HONORABLE MEMBERS OF CONGRESS:

I, and the other Brain Tumor Victims in same predicament as I, have the Constitutional Right to be represented by Disability Laws; therefore, I request prompt enactment of the Brain Tumor Bill re-introduced in Congress. This Bill is necessary because Social Security Administration's Director of Appeals Council wrote me, as follows: "there would appear to be no basis on which the claim could be pursued under existing law."

Your so-called "Definition of Disability" Laws deny that my fifteen (15) year Brain Tumor existed prior to emergency brain surgery because man-made machines failed to detect it even one year prior to brain surgery; thus, I was supposed to have worked while growing it.

HEW turned down the previous Brain Tumor Bills because other disabling excluded diseases don't have special provisions covering them. Denying Disability Benefits to

those who have survived brain surgery once and may undergo it again is Murder by Congress of the disabled and is not representation.

I demand justice!!!

Mrs. IRENE C. HEAL,
SILVER SPRING, Md.

S. 1712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 223 of the Social Security Act is amended by adding at the end thereof the following:

"Special Rule for Determining Insured Status

"(e) Any applicant for disability insurance benefits, who for the month in which application for such benefits is filed does not satisfy the requirement of subsection (a) (1) (A), shall, nevertheless, be deemed to satisfy such requirement for such month if--

"(1) such applicant is under a disability;
"(2) the disability of such applicant is attributable, directly or indirectly, to the condition (whether past or present) of meningioma or other brain tumor;

"(3) prior to such month and prior to the date such applicant was first medically determined to suffer from meningioma or other brain tumor, such applicant experienced symptoms consistent with those produced by meningioma or other brain tumor; and

"(4) such applicant would have satisfied the requirement of subsection (a) (1) (A) for the month during which such applicant first experienced the symptoms referred to in clause (3), or, if later, the month following the month during which such applicant last engaged in any substantial gainful activity."

(b) The amendment made by subsection (a) shall apply with respect to monthly benefits under title II of the Social Security Act for months after the month in which this Act is enacted, but only on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

By Mr. McGOVERN (for himself,
Mr. ABOUREZK, Mr. CLARK, Mr.
HATHAWAY, Mr. HUMPHREY, Mr.
INOUE, and Mr. MOSS):

S. 1714. A bill to establish a task force within the Veterans' Administration to advise and assist in connection with, to consult on, and to coordinate all programs pertaining to veterans of the Vietnam era. Referred to the Committee on Veterans' Affairs.

By Mr. McGOVERN (for himself,
Mr. ABOUREZK, Mr. CLARK, Mr.
HART, Mr. HATHAWAY, Mr. HUMPHREY, Mr. INOUE, and Mr. MOSS):

S. 1715. A bill to amend title 10 of the United States Code to establish independent boards to review the discharges and dismissals of servicemen who served during the Vietnam era, and for other purposes. Referred to the Committee on Armed Services.

By Mr. McGOVERN (for himself,
Mr. ABOUREZK, Mr. CLARK, Mr.
HARIKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. INOUE, Mr. MOSS, and Mr. CRANSTON):

S. 1716. A bill to amend chapter 49 of title 10, United States Code, to prohibit the inclusion of certain information on discharge certificates, and for other purposes. Referred to the Committee on Armed Services.

By Mr. McGOVERN (for himself
Mr. ABOUREZK, Mr. CLARK, Mr.
HART, Mr. INOUE, and Mr.
MOSS):

S. 1717. A bill to amend chapter 34 of title 38, United States Code, to provide additional educational benefits to Vietnam era veterans. Referred to the Committee on Veterans' Affairs.

By Mr. McGOVERN (for himself
Mr. ABOUREZK, Mr. CLARK, Mr.
INOUE, and Mr. MOSS):

S. 1718. A bill to amend chapter 34 of title 38, United States Code, to permit eligible veterans pursuing full-time programs of education to receive increased monthly educational assistance allowances and have their period of entitlement reduced proportionally. Referred to the Committee on Veterans' Affairs.

PRISONERS OF PEACE

Mr. McGOVERN. Mr. President, there is a discordant note amid the cheers and accolades for our prisoners of war. The peace with honor we hear so much about appears more and more to have left tens of thousands of other veterans prisoners of peace.

All of us have been moved by the sight of our returning prisoners of war. Their arrival has been extensively televised; their ordeal has been anxiously recorded; their freedom has been joyously celebrated; their future has been a cause of concern from the White House to the boardrooms of great corporations, and in every community across the Nation. Nothing has been so indelibly imprinted on the American consciousness in the first moments of peace as the sight of those men walking off the planes that brought them home from Hanoi.

Yet for many others who served in Indochina, these days have been bitter-sweet. Like all of us, they welcome the release of the prisoners of war. But these veterans also wonder how long the country will continue to tell others who have done so much and lost so much, simply to ask what they can do for themselves.

What of the 25,000 paraplegics, quadruplegics, and shattered men who left their strength on a distant battlefield? One of them said, as he sat in a hospital ward:

"When I saw the I.O.W.'s I cried. I cried out of self pity. I remember getting off the plane when I returned, and nobody met me. I envy the prisoners because they can walk. They were prisoners for five years and eight years, but I'm a prisoner within myself because I'm a prisoner in this wheelchair."

In hospitals and homes across this country there are young men without legs or arms or faces; men mangled or paralyzed who will never walk or father a child. No bands played for them. They came quietly back to a land that scarcely noted their return.

Almost 3 million Americans fought in Southeast Asia. Five hundred came home in the bright lights of television from the jails of North Vietnam. But 50,000 others came home in coffins—not to the cheers of a grateful country, but to the bitter tears of their families. And hundreds of thousands have come home to a

dark night of frustration and deprivation. They are free from the dangers of war, but not from the indifference of peace. They are condemned to undergo addiction, to forego education, to go without employment. They are among the best of America's young, but often they have not even received adequate medical care or treatment for drug addiction. The Nation found them when it needed them to fight; but now that we do not need them, they cannot find the help they need from the Nation. They are fathers and sons, veterans, and citizens—and they are also the prisoners of peace.

Our leaders swore that they would never abandon the prisoners of war. But they have neglected the prisoners of peace.

Over 300,000 Vietnam-era veterans, ages 20 to 29, were unemployed at the beginning of 1973—nearly a third of a million men without jobs.

In February of this year, unemployment among veterans age 20 to 24 was 10.4 percent compared to 6.6 percent for nonveterans of the same age. The rate of unemployment among nonwhite veterans of that age bracket is much higher still.

As distressing as these figures are, they account for only the technically unemployed veteran—the serviceman who registers at a public employment office and maintains an active file. These unemployment figures do not include tens of thousands of others who have never registered nor those who have given up on public employment services and subsequently had their files deactivated. We really do not know how many hundreds of thousands of these Vietnam-era veterans are without jobs. A Harris survey published in early 1972 indicated that the actual unemployment rate for Vietnam veterans at that time was between 11 percent and 15 percent, with the figure as high as 21 percent for nonwhite veterans and 31 percent for those who are not high school graduates.

Mr. President, on various visits to Vietnam over the last 7 or 8 years, I was always impressed with the rather sizable number of these veterans who have not even completed high school. Yet, it is among that group, with deprived educational experience, that we find figures running up as high as one-third who are unemployed. So they are not only without adequate educational levels, but also without unemployment. I suppose that among this group we have the most serious cases of need.

One of the major problems faced by veterans seeking employment is what they refer to as "bad paper." Bad paper is a phrase used to describe a less than honorable discharge, and nearly 185,000 Vietnam veterans were turned out of the Armed Forces under these conditions—not with dishonorable discharges, but with what has been described as less than honorable. Most of these bad discharges, or bad paper, as they are referred to by the veterans—about 6 out of 7—are undesirable discharges, and are issued administratively, without the safeguards required at a court-martial, such as the

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a "blue law" that limits liberty without any social justification. The dollar is no longer on the gold standard and gold is no longer tied to a dollar standard. It is high time for the Senate to take the leadership in signing the final divorce decree between gold and the dollar. It is also high time for the "land of the free" to catch up with the more than seventy countries that allow its citizens to hold gold.

Second, it is necessary to evaluate the economic benefits and costs of legalizing gold. To only legalize gold—to increase its demand without at the same time increasing the supply of gold—would result in needless costs to the consumer in higher prices, to the manufacturer and retailer in less volume and lower employment, and to the government in a billion dollars in balance-of-payments losses. It would result in an unwitting "foreign aid" program for the Soviet Union, South Africa, and international gold speculators. The Russians would end up giving us fewer ounces of gold for more tons of wheat. It has been estimated that the price of gold might soar to between \$100 and \$150 per ounce. This would threaten the "official price" of gold of \$42.22 causing unsettling speculation as to the value of paper currencies and the current international monetary arrangements. Even gold producers would be threatened, in that long-term production plans would be subjected to the danger that the world's central bankers—who hold fifty times the annual production of gold—might suddenly begin to unload their monetary gold stocks and bust the market.

Thus, to provide an orderly market and eliminate speculative excesses, it is necessary to increase the supply as well as the demand for gold. At the "official price" of gold, the U.S. gold stock is about \$12 billion; at current market prices (\$90 per ounce), it is worth more than \$25 billion. As I stated in my speeches in the Senate (January 16 and March 28, 1973), I am proposing that the Treasury begin an orderly disposal of this surplus gold by a free market auction of no less than 10 million ounces per year. This is only about 3 per cent of the existing stock and will leave the Treasury enough gold for "emergencies" past the year 2000. This move on the supply side will keep a more stable price of gold at between \$50 and \$100 per ounce for the next decade—and insure both a healthy incentive for gold producers in the U.S. as well as a more stable price for gold users.

As I pointed out in March 28th speech:

(1) This legislation will fight inflation for gold users and their customers, affecting such things as wedding bands and class rings, other jewelry uses, dental and electronic needs. The high school and college graduate will not have to pay nearly double the price for his class ring.

(2) It will provide jobs to the gold industry whose 1700 firms and 65,000 employees are affected by inflated gold values and the restricted volume of production.

(3) It will improve the U.S. balance of payments by anywhere from \$500 million to one billion dollars. U.S. industry now imports about 6 to 8 million ounces of gold annually at a cost to the balance of payments of more than \$500 million.

(4) It will increase government revenues and reduce the need for a tax increase. The government has already begun disposing of its stockpile of more than \$10 billion in other "surplus commodities". But the biggest "stockpile" of them all—the \$25 billion in gold—represents a lot of "tax savings" that should not be forgotten. I am sure the American citizen would rather use his money for gold instead of taxes. (I might add reference here to my bill for the issuance of a gold "American Revolution Commemorative Coin" that would honor the revolution,

soak up inflationary purchasing power, and certainly be more popular than a tax increase.)

ANSWERING ANY OBJECTIONS TO THIS BILL

The arguments for this legislation appear to be so obvious and over-powering that one has to look hard to find any objections to it—the arguments for the bill embrace national goals ranging from freedom and employment to fighting inflation, improving the balance of payments and increasing Treasury revenues to head off tax increases.

One objection by the Treasury has been that an "understanding" with certain European governments prevents the Treasury from selling gold outside the "official tier" of the "two-tier" system set up in 1968. The basis of this understanding is a simple "communique of finance ministers" five years ago. This understanding has no legal status in international law: (1) As virtually every other paragraph in this communique has been altered by the signatories, the paragraph limiting gold sales may also be changed, having depended on the continuance of the other paragraphs; (2) under the doctrine of *clausula rebus sic stantibus*, the understanding is dead in international law—that is, the events of August 1971 and early 1973 have so changed the world of international finance, especially in the inconvertibility of the dollar, that any earlier agreement based on a different world of facts is no longer binding.

In a choice between risking the personal feelings of one or more European finance ministers and in reducing the freedom and finances of the American public, the choice should be perfectly clear.

The other objection, that of timing of the legislation, I think is answered by the implementation date being set at January 1, 1975—or earlier upon the option of the President. Instead of being a hindrance to the government in its negotiations this summer leading up to the September meetings of the World Bank and International Monetary Fund in Nairobi, this legislation should give the President the tool that he needs. In this way it is analogous to the Administration's trade legislation, in that it enhances the Administration's bargaining power. Thus the Administration can assert the Congress has given it only to December 31, 1974—the end of the 93rd Congress—to resolve the international monetary issues. Thus, this generous date should help, not hinder, the bargaining process. Above all, it gives the Administration and world the clear "sense of the Senate" as to its wishes.

ALTERNATIVE PROPOSALS BEFORE THE COMMITTEE

Other proposals before this Committee are not necessarily inconsistent with the purposes of my bill but are from a different perspective and fall within a different time frame. The distinguished Senator from Rhode Island has advocated the viewpoint that the Treasury should immediately begin to sell 8 million ounces of gold annually to the industrial users of gold by the auction method that prevailed before March 1968. I have no objection to this as a first step within the context of the passage of my bill to insure the right of all Americans to hold gold and to participate in Treasury auctions of gold: As the distinguished Senator from Rhode Island has already cast his vote for eventual legalization of gold holding by Americans, I believe he would join in this view.

There need be no dispute between the gold producers, the gold users, or for that matter, the Treasury and the American public. We all believe that gold is too beautiful to be left in the ground or in vaults where it no longer functions as money. Squirrels may prefer to dig up nuggets in one place and bury them in other places; but people should be smarter than squirrels. Now it is our time to prove it.

S. 1681

IN THE SENATE OF THE UNITED STATES
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) Sections 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442 and 443) are repealed.

(b) No provision of any law in effect on the date of enactment of this Act, and no rule, regulation, or order under authority of any such law, may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold.

(c) The Secretary of the Treasury is authorized and directed to sell each year, from reserves held by the United States, not less than ten million ounces of gold by auction to bidders who are citizens of the United States.

Sec. 2. This Act shall become effective on January 1, 1975, or on the effective date prior to January 1, 1975, established therefore by the President and published in the Federal Register.

By Mr. HARTKE (for himself, Mr. CRANSTON, Mr. BIBLE, and Mr. MCINTYRE):

S. 1682. A bill to amend the Foreign Assistance Act of 1961 to prohibit foreign assistance to those countries listed, not taking adequate measures to end illicit opium production, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. HARTKE, Mr. President, I am today introducing legislation to prohibit foreign assistance to those countries which refuse to take adequate measures to end illicit opium production.

Mr. President, section 481 of the Foreign Assistance Act authorizes the President to suspend military and economic assistance to those nations which he determines have not taken adequate steps to suppress dangerous drugs. The President fully embraced this responsibility on September 18, 1972, when he proclaimed, "Any government whose leaders participate in or protect the activities of those who contribute to our drug problem should know that the President of the United States is required by statute to suspend all American economic and military assistance to such a regime. I shall not hesitate to comply fully and promptly with that statute."

Apparently the President feels that there are no nations which continue to be lax in their control of heroin and other related hard drugs. And he most certainly must not suspect that some governments are completely ignoring drug traffic. The Congress, however, knows better. The existing situation demands application of those sanctions outlined in the Foreign Assistance Act if we are to be conscientious in our effort to end the drug problem in America.

Congressional study and journalistic research have brought forth incontrovertible evidence that a number of governments are simply not complying with the requests of the U.S. government to vigorously suppress drug traffic. Yet no action has been taken by the President. In fact, the White House denies that their program of piecemeal efforts is insufficient, claiming that there have been "important breakthroughs—and huge seizures." These huge seizures

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amount to confiscating 29 tons of opium in Laos, South Vietnam, and Thailand. In the face of the total production of illicit opium in this area, the seizures amount to only 3 or 4 percent.

Congress gave the power to terminate economic and military assistance to the President only because we know that Customs agents and border patrols cannot single-handedly reduce smuggling of heroin. A General Accounting Office report stated, in reference to Customs operations, that—

Although these efforts may deter amateurs and small-scale smugglers, they have not had and probably cannot have any real impact on the organized groups engaged in large-scale heroin smuggling.

Customs does act as a strong deterrent, but it simply cannot stop the main bulk of heroin reaching the streets of America, addicting our citizens, filling the coffers of organized crime, and accounting for nearly half of the crimes committed in our cities. Profits in the drug trade are enormous. A \$100,000 investment by stateside financiers can yield \$2 million within 6 months. Ten or 15 tons of heroin, originally costing \$5 million will make a turnover for American dealers of \$9.3 billion. With profits as high as this, as long as there is a source and a reasonably safe route of transit, there will most assuredly be successful smuggling of heroin into the United States to feed the veins of American addicts.

The logic behind section 481 of the Foreign Assistance Act was to stop heroin at its source. Perhaps the flaw in our legislation has been that the President alone is left to decide whether or not a government's cooperation has been adequate. As we know many of the countries in violation, this amendment lists them as offenders and automatically removes American economic and military assistance from them. It leaves the President to bear the burden of proof—proof that these countries are not in violation of our foreign assistance guidelines before he can resume assistance to them.

Gen. Lewis W. Walt, USMC (retired), as head of Special Task Force on the World Drug Situation, stated that Southeast Asia is providing 10 or 15 percent of the total drug traffic coming into this country. Because of its tremendous potential, however, Southeast Asia could eventually replace Turkey as the largest producer of opium in Asia with approximately 400 tons. Laos, however, accounted for nearly 100 tons, and Thailand for almost 200 tons annually. According to the State Department, heroin imports from Southeast Asia's "golden triangle" to the United States doubled from 1969 to 1971. These countries not only produce opium, but are the homes for many of the laboratories which convert opium into that more valuable and much deadlier commodity—heroin.

General Walt went on to say that—

We know as a certainty that a lot of opium entering the illicit market is grown in the "golden triangle," or in Turkey, Iran, Afghanistan, Pakistan, and Mexico.

Iran stopped opium production in 1955, but resumed in 1969. Iran has a large addict population and this action was taken to stop traffic from Afghanistan

and Pakistan as well as other economic reasons. The Iranian representative to the United Nations Narcotics Commission said, "Our economic situation has been so alarming we have been forced to take a unilateral decision" to resume production. The Shah has stated that Iran will end production when its neighbors do.

Afghanistan, however, continues to supply Iran with large amounts of smuggled opium. Pakistan, too, is a major smuggler of illicit opium, feeding markets in India, and Iran. While these countries are involved in localized traffic, rather than international traffic to the United States; the Cabinet Committee on International Narcotics Control of July, 1972, voiced a warning that the trade is well organized, and—

If illicit supplies of opium from other sources in the world are cut back, these channels have the potential for moving South Asian opium into the international market.

The Turkish Government has taken decisive action in banning all opium production after 1972. This should effectively dry up Turkish sources. Mexico is the source of approximately 10 percent of the heroin smuggled into the United States and is the route of transit for 15 percent. The Mexican Government has established penalties under the Agrarian Reform Law for those who plant or permit the planting of opium. Penalties include confiscation of land and livestock. In addition, they have mobilized 10,000 troops for anti-drug operations, destroying more than 2,500 hectares of poppy fields.

Michel Lamierti, coauthor of "Les Grandes Manoeuvres de l'Opium," after 2 years of studying all opium producing countries has said:

Any underdeveloped country with a large unemployed labor force must start production. This could be the case, say, for various South American countries.

If we are to deter these underdeveloped countries from realizing their potential as opium producers and distributors, we must act boldly and decisively. Some have suggested paying subsidies to those foreign farmers who agree not to grow opium as we have done in Turkey. But from the Washington Post of February 18, 1973:

American financial contributions to Turkey as part of the considerable political pressure to stop the cultivation of the opium poppy after 1972, offers no encouragement to other opium producing countries. Turkish authorities had estimated that stopping opium production would cost the country \$432 million; U.S. contributions have amounted to \$35 million.

Obviously, the cost of such subsidies to fully pay for opium produced in all countries would become extreme. Threats to begin production by those countries not now engaged might also become commonplace. We would be paying a tribute to tyranny—the tyranny of drug traffickers. The only practical and honorable deterrent to illicit opium production and sales is the imposition of penalties on those nations which refuse to cooperate. And the only penalty we can impose on a sovereign nation is the removal of American assistance. This line of reasoning was ac-

cepted by Congress when it gave the power of suspending foreign aid to countries not taking adequate steps to end year. By enacting this amendment to the illicit drug traffic to the President last Foreign Assistance Act of 1961, we will be vastly improving the procedural processes of the act, and serving notice to organized crime and governments which have not taken vigorous action against drug traffic that we will no longer tolerate the financial, human, or social costs that illicit drugs have brought to our people.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1689

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chapter 8 of Part I of the Foreign Assistance Act of 1961 is amended at the end thereof by adding the following section:

"SEC. 482. RESTRICTIONS ON ILLICIT OPIUM PRODUCERS.—No foreign assistance shall be furnished (other than chapter 8 of part I, relating to international narcotics control), to Iran, Afghanistan, Pakistan, Burma, Thailand, and Laos.

If the President finds that any of the foreign countries referred to above has taken adequate steps to prevent the production and sale of illicit opium, he may ask Congress to waive the foreign assistance restrictions, and if Congress concurs, the restrictions shall not apply to that country.

"Foreign assistance" means any tangible or intangible item provided by the United States Government (by means of gift, loan, credit sale, guaranty, or any other means) to a foreign country.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 31

At the request of Mr. HOLLINGS, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 31, authorizing the Secretary of Defense to utilize Department of Defense resources for the purpose of providing medical emergency transportation services to civilians.

S. 136

At the request of Mr. SCHWEIKER, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 136, to authorize financial assistance for opportunities industrialization centers.

S. 400

At the request of Mr. HANSEN, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of S. 400, to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to public museums.

S. 440

At the request of Mr. JAVITS, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 440, the War Powers Act.

S. 795

At the request of Mr. PELL, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 795, to amend the National Foundation on the Arts and

petroleum and its products from the burdens and harmful effects and monopolies which result from the operations of persons in the marketing of petroleum products combined with operations in production, refining, and transportation of petroleum and petroleum products.

Sec. 2. As used in this Act—

(a) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, joint-stock companies, trustees and receivers in bankruptcy and reorganization, common-law trusts, or any organized group, whether or not incorporated.

(b) The term "commerce" means trade, traffic, or transportation among the several States or within the District of Columbia, or between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof.

(c) The term "production" means the development of oil lands within the United States and the production of crude petroleum and natural gas thereon, the storage of crude petroleum and natural gas thereon.

(d) The term "transportation" means the transportation of petroleum products by means of pipe lines, railroads, or tankers.

(e) The term "refining" means the refining, processing, or converting of crude petroleum, fuel oil, or natural gas into finished or semifinished products. It shall include the initial sale with transfer of ownership of refined petroleum products to customers at the refinery.

(f) The term "marketing" means the sale and distribution of refined petroleum products, other than the initial sale with transfer of ownership to customers at the refinery.

(g) A person shall be deemed to be an affiliate of another if such person controls or is controlled by or is under common control with such other person.

(h) The term "control" means actual or legal power or influence over another person, whether direct or indirect, arising through direct or indirect ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements where the result is used to affect or influence persons engaged in the marketing of petroleum products.

Sec. 3. It shall be unlawful for any person directly or indirectly to be engaged in commerce in the marketing of refined petroleum products while such person or affiliate of such person is also engaged in one or more of the other three branches of the petroleum industry, namely, production, refining, and transportation.

Sec. 4. Any person knowingly violating the provisions of this Act on or after January 1, 1974, shall upon conviction be punished by a fine of not to exceed \$100,000 for each such offense committed.

Sec. 5. It shall be the duty of the Attorney General immediately to examine the relationships of persons now engaged in one or more branches of the petroleum industry and to institute suits in equity in the United States district courts for the issuance of mandatory injunctions commanding any person to comply with the provisions of this Act.

Sec. 6. The United States district courts shall have exclusive jurisdiction of violations of this Act and of all suits in equity and actions at law brought to enforce any compliance with or enjoin any violation of this Act. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce compliance with or enjoin any violation of this Act may be brought in any district wherein the defendant is found or is an inhabitant or transacts business, and process in any such cases may be served in any other district.

Sec. 7. This Act shall be known as the "Petroleum Marketing Divorcement Act of 1973".

By Mr. CHILES:

S. 2083. A bill to amend the Foreign Assistance Act of 1961, as amended. Referred to the Committee on Foreign Relations.

Mr. CHILES. Mr. President, I am introducing today a bill to amend the Foreign Assistance Act of 1961 to give it greater focus on the problems of poor people in developing countries, especially health, nutrition, education, family planning and small farm agriculture. The bill also introduces language to assure a phase out of each aid project authorized within 3 years, host country financing of all our aid projects to the extent of 20 percent and an end to the "follow on" character of many of our loans where one project leads to another. My bill also contains language which would require the aid agency to more tightly relate aid to specific program purposes, intermediate goals and defined time periods so that results, or the lack of them, will be more visible.

I ask unanimous consent that this bill and the testimony I will present to the Foreign Relations Committee today be printed in the RECORD at this point.

There being no objection, the bill and testimony were ordered to be printed in the RECORD, as follows:

S. 2083

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201(b) of the Foreign Assistance Act of 1961, relating to the Development Loan Fund, is amended by striking out the first sentence and "In so doing," at the beginning of the second sentence and inserting in lieu thereof the following:

"The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine in order to be responsive to efforts in developing countries to address the problems of the poorest people, emphasizing projects in health nutrition, education, family planning and small farm agriculture. In so doing, the President shall see to it that, in order to assure that host country interest and initiative exist and that there not be endless funding by the United States, (A) the host country participate in the financing of the project to the extent of 20 percent of the total cost, (B) the phase-out period of the project not exceed three years with efforts being made to find local and other international sources of financing both during and after the three year period, and (C) projects not have a "follow on" character which necessarily links one project to another.

Sec. 2. Section 211(a) of the Foreign Assistance Act of 1961, relating to technical cooperation and development grants, is amended by striking out the first sentence and "In so doing," in the second sentence and inserting in lieu thereof the following:

"The President is authorized to furnish assistance on such terms and conditions as he may determine in order to be responsive to efforts in developing countries to address the problems of the poorest people, with emphasis upon health, nutrition, education, family planning and small farm agriculture. In so doing the President shall see to it that, in order to assure that host country interest and initiative exist and that there not be endless funding by U.S. assistance, (A) the host country request the technical assist-

ance before it is authorized, (B) the host country finance 20 percent of the costs of technical assistance and grant aid projects, (C) that any given technical assistance and grant aid be phased out within three years with efforts being made to find local and other international sources of financing both during and after the three year period, and (D) that grant aid projects not have a "follow on" character which necessarily links one grant to another; and"

Sec. 3. Section 251 of the Foreign Assistance Act of 1961, relating to Alliance for Progress, is amended as follows:

(1) Strike out the last sentence of subsection (a) and insert in lieu thereof the following:

"The President is authorized to furnish assistance on such terms and conditions as he may determine in order to be responsive to efforts in Latin America to address the problems of the poorest people, with emphasis upon health, nutrition, education, family planning, and small farm agriculture."

(2) In subsection (b) strike out the first sentence and "In furnishing assistance under this title," in the second sentence and insert in lieu thereof the following:

"Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance under this title the President shall see to it that, in order to assure that host country interest and initiative exist that there not be endless funds by U.S. assistance, (A) the host country participate in the financing of the project to the extent of 20 per centum of the total cost, (B) the phase out period of the project not exceed three years with efforts being made to find local and other international sources of financing both during and after the three year period, and (C) that projects not have a "follow on" character which necessarily links one project to another; and"

Sec. 4. (a) Subsections (a) and (b) of section 621A of the Foreign Assistance Act of 1961, relating to strengthened management practices, are amended to read as follows:

"(a) The Congress believes that United States foreign aid funds could be utilized more effectively by developing program purposes in objectively measurable terms with stated time periods for achievement, together with a management system which provides for systematic in-house evaluation of the progress made toward such purposes by knowledgeable officials who have no responsibility for program management. The management system should provide for the application of advanced management decision-making, information and analysis techniques such as systems analysis, automatic data processing, benefit cost studies, and information retrieval.

"(b) To meet this objective, the President shall establish a management system that includes: the formulation of program aims, objectives, goals and targets, both final and intermediate, in objectively measurable terms with defined time periods for accomplishment; the development of a comprehensive, unified plan for each separate overall program, and for each country or region to which program resources are directed—not in relation to a single budget year but in terms of intermediate and final program aims setting forth the final program aims, objectives, goals and targets which have been or are to be achieved, together with the strategy and aggregate financing requirements for achievement of the program purposes; and the development of mission oriented budgets. All requests presented to the Congress for authorizations and appropriations for fiscal year 1975 and subsequent fiscal years to carry out programs under this Act shall be formulated in accordance with the management system required to be established by this subsection."

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(b) Section 644 of the Foreign Assistance Act of 1961, is further amended by adding the following new paragraphs immediately below paragraph (m):

"(n) 'Program aim' means the final or ultimate purpose of a given program.

"(o) 'Program objective' means the final or ultimate purpose in a given country or region.

"(p) 'Program goal' means an element in a plan to accomplish a stated objective.

"(q) 'Program target' means an element in a plan to accomplish a stated goal.

"(r) 'Program purposes' includes program aims, program objectives, program goals and program targets."

TESTIMONY, SENATOR LAWTON CHILES, COMMITTEE ON FOREIGN RELATIONS, JUNE 27, 1973

Mr. Chairman, I am honored to have this opportunity to testify before the Committee on Foreign Relations on our foreign assistance programs. I share a strong interest in Latin America with several members of this committee but I am also concerned about our overall foreign assistance effort world wide. Many of our constituents are increasingly worried about what this nation is involved in abroad and how much of our resources are going into foreign countries without us getting any visible results from it. I think we have to pay increasing attention to what the people are thinking about aid. We in the Congress need to take a new look at what the aid program is doing and decide what's worth the taxpayer's money and what is not.

The time has come for the Congress to act. We have gone on now a year and a half on the basis of Continuing Resolution Authority instead of an authorization bill. This provides the executive agencies with the opportunity to go on doing what they have been doing in the past the way they want without any new direction or guidance from the Congress on where to go. This can't go on.

Times have changed. The present program is rooted in the thinking of the years immediately after World War II. The Marshall Plan approach is not viable in the 1970's. We now have a new understanding of the limits of our own power. We find ourselves in very different economic circumstances where Europe and Japan have become strong competitors instead of friends in need. We are no longer the only big guy on the block with change in his pocket. We no longer find ourselves locked into a gang war with the Soviet Union trying to divide up the world between us.

We are also at a moment in history when we in the Congress must take a stronger hand in setting the priorities and direction the nation must take. The Constitution is like the Bible. It is overlooked because it was written a long time ago. Foreign aid is both a budget and a foreign policy matter. It is both these areas that the Constitution gives to the Congress clear authority to act. The time has come, Mr. Chairman, when to preserve the role of the Congress in our system of government, we must act. And the foreign aid program is one place we can begin, as the Chairman of this Committee has so forthrightly done in the military aid and sales program and just yesterday in putting forward an economic assistance bill.

A. AID FRAMEWORK

What we most need to do in the Congress is to provide a framework for the kinds of changes we want to see so the Executive has a clear idea of where we want them to go and perhaps most of all where we don't want them to go.

Before I go into some specific aspects of the legislation, I would like to make clear my outlook on aid—the framework within which I think specific changes in legislation should be made.

The basic problem of our economic assistance has been that it was born from the

notion that we, the United States, could bring about change in the world if we only put some money, men and ideas to work on the world's problems. We could make the world safe for democracy with our military might and make the world economically viable through our wealth.

So we got ourselves spread thin in our aid program to developing countries. Our aid ranges across transportation, power, industry, mining, agriculture, health, education, community development, communications. You name it and we were into it.

If you take 20,000 employees and ask them what can be done to achieve more development in poor countries, you are going to get into everything. There are limitless numbers of things we can do to help development in underdeveloped countries. Unless some restrictions are put on what we set out to do, we can go on pouring more and more money into endless numbers of activities in a host of different countries.

Mr. Chairman, this still goes on. The other day I was looking at the ten new loans AID is taking final action on in the closing days of FY 1973 to the tune of over \$100 million. These loans were for such things as a Savings and Loan Housing Program in Bolivia (\$6 million), telecommunications in Malagasy (\$2 million), power projects in Afghanistan (\$5 million) and the Philippines (\$4.5 million), roads in Nepal (\$7 million) and an industrial bank in Turkey (\$9 million). It's endless the places and kinds of things AID is doing.

These 10 loans provide a good sample to show what is going on. Take the loan to Malagasy, for example. Here is the AID description of the loan.

This loan is a follow-on to a \$2.0 million loan project which A.I.D. initiated in 1967 to expand and modernize Malagasy's telecommunications system. The activity involves the purchase and installation of materials required for construction and rehabilitation of main telephone trunk lines and local links to these lines in rural areas in the Western and Southern regions of the Malagasy Republic. A.I.D.-financed materials will allow for developing 90 miles of additional telecommunications facilities and replacement of 622 miles of inadequate 50 year old lines.

Because many of the communities in the areas served by these lines do not have all weather road connections and are thus isolated during part of each year, the planned facilities will serve to alleviate the effects of such isolation.

Mr. Chairman, if we as a government are going to take upon ourselves responsibility for alleviating the isolation of rural folk in western and southern Malagasy, we are indeed prepared to take on responsibility for the fate of all men everywhere. This is nonsense.

So we have to place some very real restrictions on what kinds of activities aid can be spent on and what the goals of our aid should be. Otherwise we are going to be all over the map which gets us nowhere. This kind of program doesn't give our taxpayers any sense that anything they can get a handle on is being done with their money.

Mr. Chairman, I call your attention to the fact that the Malagasy loan was a "follow on" loan in a previous AID loan. Two of the ten loans in this group were "follow on" loans. The other one has a classic description. Bear with me while I read another AID loan description.

Afghanistan-Kujakai transmission (\$5 million)

This is a follow-on to an FY 1970 AID power project which did not include sufficient funds to finance complementary transmission facilities. The Afghan's attempts to fund that aspect of the overall endeavor from other sources failed: the Asian Development Bank,

World Bank and Federal Republic of Germany declined to finance that part of the project. Thus, in late 1972 they made a direct appeal to the Administrator of AID for financing of the transmission facilities.

After careful study of the alternatives, AID concluded that the only practical way to limit an otherwise long hiatus between powerhouse completion and transmission system completion (both integral parts of the system) was to undertake the latter as an AID project. This supplement (\$5,000,000) to the original loan is for the purpose of constructing the transmission line.

Now, Mr. Chairman, I am sure you agree this is the precise opposite of the kind of aid we should be giving. AID financed part of a project that couldn't show results unless the other part was financed. Instead of AID financing being a means of bringing in local financing or getting the international development banks on to something they might not have picked up, AID was left holding the bag. AID had to put good money after bad. One AID loan triggered another.

Mr. Chairman, I strongly believe that future AID loans should be carefully designed for the purpose of triggering other sources of financing and effort. The role of our aid should be to bring other people and institutions to bear on an activity which would have otherwise gone unheeded. Our bilateral economic assistance should principally be "front end money" with someone else picking up on our initiative and making it their own. Successful development is self generated not foreign financed. Our aid can stimulate and assist. But it should not substitute for the effort others might make.

So we need a clear phase-out principle to guide our aid program. Legislation by the Congress should, in my opinion, insist that the purpose of aid be to trigger not to finance.

Part of this would be to see that efforts are made by the aid agency (in both its public programs and through its volunteer service and private agency programs) to get a mixing of AID funds with financing by other groups. AID shouldn't be going in and paying for things when others more directly concerned are not willing to pitch in. Even U.S. private groups who work in developing countries should seek to elicit collaborative financing and effort rather than to move forward on their own.

The whole idea of development is to energize and activate people in ways which will enhance the quality of their lives. Paying, providing and pushing is not the way people and institutions from the outside can help. Only by getting people to act on their own behalf can our aid do any good. Otherwise we just leave a project in place but the people remain just as unable to change their own lives as before.

The establishment in legislation of phase out as the guiding principle of our bilateral economic assistance is the central recommendation I would make to this Committee. I would further recommend that language also be put into the legislation requiring AID seek to mix its own investment with funds from local or other foreign sources to the maximum extent possible.

E. TYPES OF ASSISTANCE

My philosophy of how AID should operate is probably nowhere better born out in practice than in the emergency relief programs run by AID. These efforts make a major impact abroad not only in the individual countries affected by national disaster but in the world at large. We are helping people in tangible ways when they are at their moment of most acute need. We move in efficiently with significant resources and skills. The United States is known as being a generous and effective contributor when disaster strikes. Our emergency relief programs carry out the American people's desire to be of help.

At the same time, these programs are not

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permanent give away programs which commit us as a government to financing an endless string of apparently worthy projects. When relief gives way to reconstruction, other sources of funds frequently are and should increasingly be drawn in. Relief aid can be the perfect trigger to a larger national effort toward development more broadly supported by diverse international agencies and different countries. I am hopeful that this will be the case in Nicaragua, for example.

So I very much feel that emergency relief is one area where our bilateral economic assistance should continue to be strongly supported.

Another type of assistance which does not provide a bottomless pit for our money to go down is *technical assistance*. Technical assistance is a way we can share the great reservoir of knowledge built up over the years in this country in government, in the private sector and in our universities without becoming a worldwide dole. Through technical assistance, problem areas can be pinpointed and new approaches can be suggested. The multiplier effects and trigger potential of technical assistance is very high. Through technical assistance, along with some seed money for pilot projects, we can lead others to the trough without being the major source of funds ourselves.

Technical assistance should play a determining role in where capital assistance goes rather than technical assistance complementing a capital project. Instead of the AID thrust mostly being in the funding rather than in the ideas and skills, technical assistance should increasingly point the way for the financing. In this way it can be, like emergency relief, a means of implementing the phase out and triggering philosophy I have advocated.

I believe that technical assistance must relate to needs of the developing country and respond to requests by them rather than reflect the priorities of our aid agency. Again it is only if there is some initiative within the host country to seek change in a particular area that change will actually occur. It is only if there is some leadership there in the country to use the technical assistance we offer and continue on after our assistance has ended that anything will really come of our efforts.

Unless technical assistance is responsive to in-country requests it is all too easy that it become paternalistic and bureaucratic the way our capital assistance became. Also, if the host government were required to pay some portion of the cost of technical assistance this would assure that the request was real and the need valid rather than something trumped up to cover a requirement for in-country requests. All of this speaks to the need for a collaborative and cooperative style of assistance rather than the high-handed, we-know-what's-best-for-you style we have adopted in the past.

Finally we can't just stop providing *capital assistance* altogether. We need to continue to have a capital assistance program to provide the trigger for other spending sources and to try out new approaches resulting from our technical assistance efforts.

Again I think we should be clear about what the restrictions should be on this kind of money. I don't think there should be any lump-sum transfers to other governments, what are called program loans, to help them achieve their broad growth and import goals. We need to require that AID be more specific requiring the agency to link its loans to activities that generate the most jobs and help the most people. Our aid needs to be increasingly people oriented trying to reach people in poverty, hunger and disease. The American people are frustrated at being privileged in a world where the majority of mankind is poor and yet being unable to find a way to reach out to poor people abroad

without interfering in the internal affairs of other countries or lining the pockets of the rich.

One way to reach poor people abroad is to focus more of our aid on health, nutrition, education, population, small farm agriculture and the like. This will bring more emphasis to the real problems affecting poor people abroad. With mixing requirements and a phase-out principle in our aid program, it can serve as a means of bringing more local and world resources to bear on the poor in developing countries.

In this regard, I find myself very much in agreement with the priorities established in the House Foreign Affairs Committee bill which, among other things, seeks to focus more priority on the areas I have mentioned. I strongly support the general philosophy and overall direction of the House bill. This seems to me to be a very positive initiative from the Congress which is the kind that is increasingly needed by the legislative branch in foreign affairs.

C. BUDGET CONTROL

But whereas I am in basic agreement on the priority activities emphasized in the House bill I do not think that the five activities or programs in the House bill (agriculture, rural development, and nutrition; population planning and health; education, public administration, and human resource development; transportation, power, industry, and urban development; select countries and problems) should be the categories for funding. The liberal transfer authority of the House bill as between these different categories is desirable only if the Congress has tighter control in the amount of money available for the three types of assistance I mentioned before, namely

1. Emergency Relief Assistance.
2. Technical Assistance.
3. Development Assistance.
 - a. Loans.
 - b. Grants.

Only if the Congress has good control over these categories can we assure that the Congress does not continue to authorize a sweeping give-away program through grants rather than put our principal effort on technical assistance and seed capital loans.

Furthermore, while I am in agreement that the first two categories in the House bill namely, (103) agriculture, rural development and nutrition, and (104) population planning and health, as well as education (105), I am very much less comfortable with the broad categories of (106) public administration and human resource development and (107) transportation and power, industry and urban development and the program loan authority under section (107). These latter categories are either too broad, such as human resource development, or represent the kind of sectors that the international development agencies like the World Bank are involved in and that AID should get out of, especially transport, power, industry, and public administration. These areas have to do with the economic structure or the government of the country and not poor people per se. As I indicated at the outset, if we don't narrow down the aid program to definable objectives there is no end of things we can do to promote overall economic growth or political development. If we focus hard on health, education, nutrition, small farm agriculture and population aimed at bettering the lives of low income earners we will have given some more people content to our foreign assistance and reduced our goals to specific programs rather than broad objectives for countries as a whole. This way the Congress can look at the health programs or the nutrition programs that we finance to see how concrete the goals are, whether there is matching of funds, whether there is a phase out date, whether the goals are being achieved and so on. Our assistance

will become more concrete, more visible and hopefully more effective and justifiable.

One of the basic problems with our aid program has been that it has been linked to goals which are too broad and too grandiose. Development assistance by the U.S. up until now has been linked to the overall goals of nations as a whole—to accelerate economic growth, promote democracy, achieve social justice. Helping nations achieve these goals has been part of our foreign policy of seeking peace and stability in the world.

Once the foreign assistance program has been linked to these grand goals of foreign policy there is no end to the number of projects that can be judged as serving those ends. In my view, Mr. Chairman, this is where our aid program has gone off the track. The rationale for U.S. foreign assistance has been to serve the broad goals of U.S. foreign policy which is not a rigorous or specific enough criteria to ever say no—this project or this program doesn't meet the rules the Congress has established.

Mr. Chairman, I respectfully submit to you today for the consideration of the Committee a bill to amend the Foreign Assistance Act of 1961 to establish in clear language.

the phase out principle.

the host country financing requirement.

the end of "follow on" loans.

definition of more specific goals and programs.

I am hopeful that the language I put forward for your consideration meets the need for a more sensible aid policy that reflects more clearly public sentiment concerning the use of taxpayer funds and helps give the program more specific policy guidance from the Congress to the Executive.

By Mr. BELLMON:

S. 2084. A bill to amend the Truth in Lending Act to prohibit discrimination on account of sex or marital status. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BELLMON. Mr. President, I am today introducing a bill to amend the Truth in Lending Act to prohibit discrimination against individuals seeking credit on account of sex or marital status.

The time for this statutory change has long since passed. If we act today on this bill, we will still be acting too late, for right now in various segments of the economy, women, both married and single, are being discriminated against when they seek credit, either in the form of retail credit, the issuance of credit cards, or bank loans. My bill would insure that women receive equal treatment and are held to equal standards when they seek credit.

In an economy which is increasingly dependent on credit, it is patently unfair and unjust to deny any segment of the population equal treatment under the law. The necessity of this legislation has been clearly documented in the findings of the National Commission on Consumer Finance and is increasingly a matter of public concern. This amendment would extend the rights and privileges now enjoyed by the male segment of our population to the female segment, by an extremely simple mechanism which provides for both criminal and civil liability in a statutory scheme already in existence. The credit-worthy woman should not be barred from economic transactions merely because of her sex or marital status. This amendment to the Truth in Lending Act would insure the rights of

women in seeking credit by providing a vehicle which clearly defines the rights of women and provides a mechanism for judicial enforcement of those rights.

I urge the Senate to extend to women the rights presently accorded men in our society by adopting this bill.

Mr. President, I ask unanimous consent that the complete text of this bill be printed in full in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2084

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

Sec. 2. Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end thereof the following new section:

"§ 135. Prohibition of Discrimination Against Individuals Seeking Credit on Account of Sex or Marital Status.

"(a) It shall be unlawful for any creditor or card issuer to discriminate on account of sex or marital status against any individual with respect to the approval or denial of credit or terms of credit in connection with any consumer credit sale whether or not under an open end credit plan, any consumer loan, or any other extension of consumer credit, or with respect to the issuance, renewal, denial, or terms of any credit card.

"(b) (1) Any creditor or card issuer who discriminates against any individual in a manner prohibited by subsection (a) is liable to such individual in an amount equal to the sum of—

"(A) in the case of an individual action, not less than \$100 nor more than \$5,000, or

"(B) in the case of a class action, not more than \$100,000, and

"(C) in the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee as determined by the court.

"(2) Any action under this section may be brought in any court of competent jurisdiction during the one-year period commencing on the date of occurrence of the violation."

Sec. 3. The amendment made by this section shall take effect on the sixtieth day after its enactment.

By Mr. CHILES:

S. 2088. A bill to require that all political contributions of money in excess of \$50 to or for the benefit of candidates for nomination for election, or for election, to Federal office be made by bank check drawn on the account of the person making the contribution, or be accompanied by the name, address, and social security number of the contributor. Referred to the Committee on Rules and Administration.

Mr. CHILES. Mr. President, elections are the key device in democratic governments for regulating official decision-making. When working properly, they help to assure that officeholders remain responsive to the greatest possible number of citizens. Though no one can provide a simple answer to the question, "Does money win elections?" it is undeniable that money does play a major role in winning. It does not guarantee victory, but in some cases the amount collected and spent can be decisive. Money cannot totally obliterate the influence of issues and candidates' party orientation on voting decisions, but it can and often does make a difference.

In a democracy the voters choose the major policy officials in free and relatively frequent elections. The crucial factor determining whether or not we consider a government democratic is not how much power the public officials have, but rather how public officials secure and retain their offices.

Events surrounding the last general election have been and will, no doubt, continue to be examined and investigated in an effort to determine the source of enormous amounts of campaign moneys. Coupled with the investigation will be repeated cries for reform, for changes in the law concerning campaign financing. And surely some changes are in order.

I think Americans are aware that campaign costs are mounting. And though there is a scant amount of reliable data on the cost of running for office in this country, I believe we were all shocked at the findings made during the hearings about the tremendous amounts of cash the Committee to Re-elect the President had on hand. Accounts of suitcases stuffed and safes spilling over with dollars surprised many of us and alerted us all that something had to be done to get some kind of control over the complex matter of financing campaigns.

Some Americans view public policymaking as a sordid process where the wealthy control elected officials. And while there is some corruption, I believe its reputation for moving the wheels of government is far greater than its performance. But money can twist policy in subtle ways—and any effort we can make to erect a barrier between the direct translation of money into policy decisions must be made. The bill I am introducing today is such an effort.

My bill aims at making contributions traceable. It would require that any contribution of \$50 or more be made by check, drawn on the account of the individual making the contribution, or accompanied by the name, address, social security number, and occupation of the contributor. The language of this proposal in no way places a new limitation on the aggregate amount of money allowed as a contribution, but simply would make the money traceable.

In a government whose level of citizen trust is at an all-time low, there is an obvious need to reestablish governmental accountability to the people. A recent Harris poll disclosed that 81 percent of the public is convinced that corruption in Washington is "serious" and the number with high respect for the Federal Government comes to no more than 27 percent. People are more suspicious than ever before of their government and their cynicism is only nurtured by the lack of accurate and dependable information concerning campaign contributions.

There has been much comment about the dramatic rise in the high cost of politics in recent years. It has been estimated that \$400 million was spent in 1972 for all elective and party politics in this country at all political levels, in campaigns for nominations and for election. My bill, making contributions directly traceable if they are in amounts over \$50 recognizes the high cost of campaigns, but recognizes also the need for

knowing who the big contributors are and how much they gave—and to whom.

I strongly urge my colleagues to support this measure.

Mr. President, I ask unanimous consent to have the text of the bill printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2086

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 614. Form of contributions of money

"(a) No person shall make any contribution of money to or for the benefit of any candidate or political committee in excess of \$50, in the aggregate during any calendar year, unless—

"(1) such contribution is made by means of a check from a National or State bank, drawn on the account of the person making the contribution and identifying that person by name and bank account number; or

"(2) the person making the contribution furnishes in writing to the recipient thereof his full name and address, and, in the case of an individual, his social security number.

"(b) (1) Violation of the provisions of this section is punishable by a fine of not to exceed \$1,000, imprisonment for not to exceed 1 year, or both.

"(2) Willful and knowing violation of the provisions of this section is punishable by a fine of not to exceed \$3,000, imprisonment for not to exceed five (5) years, or both."

(b) The table of sections for such chapter is amended by adding at the end thereof the following new item:

"614. Form of contributions of money."

(c) Section 591 of title 18, United States Code, is amended by striking out "and 611" and inserting "611, and 614".

By Mr. HARTKE:

S. 2087. A bill to amend title 38 of the United States Code relating to basic provisions of the loan guaranty program for veterans. Referred to the Committee on Veterans' Affairs.

DAV GOES TO COLLEGE

Mr. HARTKE. Mr. President, the unique readjustment problems confronting veterans of the Vietnam era have been well documented. The amelioration of these difficulties seems to be hampered, however, by the distrust with which these young Americans often view the so-called establishment.

As chairman of the Committee on Veterans' Affairs, it has become apparent to me that organizations wishing to genuinely assist the current generation of veterans must assume an active stance. We must dispel the young veterans' cynicism and reach out in a sensitive, responsive, and tangible fashion.

I am particularly encouraged by the efforts of the Department of Indiana, Division of Disabled American Veterans, to encourage Vietnam veterans to help themselves. Last fall, the Indiana DAV chartered Indiana University campus chapter 35, which is actively participating in a broad range of campus affairs. In addition, meeting in statewide convention Saturday, June 23, 1973, the Indiana DAV elected a Vietnam-era veteran and a member of chapter 35 to the posi-